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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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BUSINESS MUST FACE A PERIOD OF COMPETITION

Efficient Methods Are Now Necessary to Win Through

CONDITIONS SOUND

Reports Indicate That Retail Turnover in Smaller Centres Has Recently Been Ahead of Last Year

(Address before the Kiwanis Club, Toronto, by Horace T. Hunter, Vice-President, MacLean Publishing Company.)

My business brings me into contact with several very important lines of merchandising — hardware, groceries, dry goods, drugs, men's wear, stationery, plumbing and steamfitting—and in addition to these the bank manager who acts as a sort of "business father confessor" to all of them. We try to develop the "from Missouri" attitude and although many manufacturers and wholesalers were convinced that the general public had instituted a "buyers' strike" and that business was at a standstill, we made direct inquiries from the retailers themselves. You may be as surprised as I was to learn the result. Retail merchants outside the big centres report that their sales for December, January and February exceeded their sales for the corresponding three months in the previous year; for the most part February business of this year has been ahead of February of last year.

It is important to note and has great significance, that in the smaller centres the retail merchants are keeping up their volume of sales. The following definite statements are convincing:

City or Town	February Turnover	Stock Carried
Collingwood ...	2% inc.	same
Paris	6% dec.	12½% less
Peterborough ...	19½% inc.	5% less
Napanee	3% inc.	25% less
Tillsonburg	1% inc.	5% less
Ingersoll	25% inc.	10% less
Sudbury	same	20% higher
Sherbrooke, P.Q.	3% inc.	same
Mitchell, Ont. .	20% less	10% more
North Bay	1% less	same
Hamilton	10% inc.	33% less
London, Ont. ...	inc.	less
Lindsay	1% inc.	2% less
Moose Jaw, Sask.	same	same
Calgary	same	larger

The above reports are from leading merchants in towns and cities mentioned. In many cases they are from the merchant holding unquestionably first place as far as volume of sales is concerned.

Turnover Not Profits

I am speaking of turnover, not profit. Many lines are being sold at reduced prices, but the fact that goods are being sold indicates that more goods will have to be made to take their place. Manufacturers and wholesalers have, however, had different experiences from those of retailers. Orders for their goods are being placed very slowly. Traveling salesmen have been greatly discouraged.

Now, why is the retailer not buying when his sales are so good?

Five Months' Business Lost

Retailers are ordering to-day only for their immediate needs. A year ago they were buying six months or more in advance owing to scarcity of goods and slowness of delivery. On a rising market it was good policy to get orders placed before further advance in price took place. To-day conditions are reversed. It has become again a buyers' market.

Every week reductions in prices are announced, therefore the merchant feels that the longer he can hold off buying the better price he is likely to get.

Fewer Brands

Retailers are reducing their stocks by carrying fewer varieties than formerly; instead of carrying three or four brands they are concentrating on one brand.

A Wise Policy

Who will say that this is not a wise policy?

Even the manufacturers and jobbers who are hungry for orders must realize that it is a matter of first importance that retail merchants safeguard their financial position. It is their duty not to overload the retailer, but to help him in every pos-

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ALASKAN PULP A NEW FACTOR

The first wood pulp paper mill in Alaska has a capacity of 20 tons a day, according to the Wall Street Journal. Forest service officials say 2,000,000,000 feet of Alaskan pulp-making timber will soon be placed on the market in response to inquiries from paper manufacturers.

International Paper Co. has revised its quotations for newsprint in rolls car load lots for delivery during the second quarter of the year reducing prices from 5.7 cents a pound to 5.5 cents. Prices are adjustable quarterly and only recently the 5.7 price was announced with the alternative of accepting a flat rate of 5.5 cents for the balance of the year in place of the quarterly price adjustments.

TRADE BAROMETER IS RISING SLOWLY

Credit Men's Association Records Growth of Business

That a regular and increasing upward trend to business is being definitely recorded each week is the opinion of the officials of the Canadian Credit Men's Association. Some extensions of terms have, however, been necessary, they report, while on the other hand a number of satisfactory settlements have been made. In the clothing trade, ladies' wear and allied materials have taken the lead and shown a strength even more than some observers had expected at this time of the year. Men's wear has not shown equal demand, though boots and shoes have at last recorded a slight rise. This latter is particularly gratifying for this sorely tried industry, who, being the first to feel the effect of last year's slump, had just cause to expect to be among the first to benefit by any improvement of business.

On the whole business is better and the improvement is such as to support the confidence that the turn has not ony been made but that the rise is noticeable. Collections have been reasonable though a few refusals have been noted.

CAPITAL NEEDED TO DEVELOP RESOURCES

The Railroad Deficit Discourages Idea of Government Spending Money

From Our Own Correspondent.

OTTAWA.—There was a protracted and not unimportant discussion in Parliament this week on the matter of the development of Canada's natural resources and the necessity for securing capital for that purpose. Mr. Manion, who introduced the resolution, quoted an article by Agnes Laut in MacLean's Magazine in support of his contention that one of the greatest needs to aid in development was more population.

The debate ranged from Nova Scotia to the Yukon, and in nearly every instance got back to the same suggestion — that "the Government should do something." When the Government is asked to do something, it almost invariably means financial assistance. If there was an exception to this supine sentiment, it was in the case of the member who spoke of the glories and advancement of Quebec, Hon. Mr. Lemieux, who told what the people of Quebec themselves had done.

Possibly the most pertinent suggestion was made by Hume Cronyn, of London, who found in the establishment of a research institute the readiest and least expensive way of bringing about the desired development. The establishment of this institute, which it was supposed had been settled last year, is still uncertain. It comes within the decision of the Department of Trade and Commerce, and Sir George Foster is notoriously averse from spending the country's money without the most mature deliberation. In this, like everything else involving expenditure, the spectre of the railroads with their insatiable maw looms up. They have become the prodigal son of the estimates.

Report says it is declared policy of British Government to hand back railways to owners in pre-war state of solvency.

CHANGES LIKELY TO BE MADE IN OIL REGULATIONS

Not Enough Time Given to Make Proper Tests

AS TO AREA ALLOWED

Criticism Offered That Policy Leaves Too Much Power in the Hands of Those Ruling at Ottawa

From Our Own Correspondent.

OTTAWA.—It is apparently the intention of the government to make some important changes in the regulations governing oil and gas permits and leases in the Northwest Territories. Mr. Mackie, of East Edmonton, brought the subject up in the course of a resolution declaring that the new regulations passed last February were detrimental to the development of the oil industry. and should be changed, more particularly that one which provides that, when the locator has drilled and presumably found oil on the 2,560 acres, which is the maximum on which he is permitted to file, three-quarters of the claim reverts to the Crown.

Mr. Mackie's contention is that the effect of this was to penalize capital and prevent it from working; and, further, that the government or the minister concerned might allot them to any company or individuals it saw fit. Whoever acquired the three-quarters of the property in this manner would have actually three times the power of one who had actually located and developed the ground to the point where he was entitled to a lease. It would be easy to put out of business the man who had actually made the discovery.

The suggestion is made that the government, in reserving three-quarters of all the developed oil territory in an area which is estimated by the geological survey to comprise not less than 300,000 square miles, and which is now definitely known to be rich in oil, believes that it sees therein a possible means of making a great stroke of politics—even of statesmanship. It is said that certain members of the government believe so firmly in the possibilities of the northern fields that they think this three-quarters of locations being retained by the government may yet be sufficient to more than relieve Canada of her enormous debt. It is also undeniable that if they should prove as valuable an asset as some believe, the handling of them would open the way to such suggestions of manipulation as one fancied might be detected in some phases of the speech of the member for Edmonton.

New Bill Probable

The reply of the Prime Minister to the member for Edmonton went a considerable distance to allay the fears that seem to have been entertained by the latter, in certain particulars, but it would not be surprising if the whole subject should be reopened before the session goes far by the introduction of a bill which would have the effect of over-riding the regulations in those particulars where they are considered objectionable.

The Premier stated that it was quite within the power of the Department of the Interior to issue further regulations providing that a fair and just preference shall be given to the man who has made the discovery. He scouted the probability of there being any manipulation "by somebody in the city of Ottawa"; the land would revert to the Crown solely. "It is quite possible," the Prime Minister added, "that later on it might be found equitable in the regulations providing for the disposition of the other three sections, or three-quarters of the land staked, that the man who staked the first quarter should have a prior claim upon it."

The law in this respect in Alaska is that after the entrant is given his quarter of the claim tenders are called on a royalty basis for the oil in the other three-quarters and after the highest bona fide offer is received the original entrant has the right to the oil at the price tendered by the highest bona fide bidder. The weakness of this method would seem to be that

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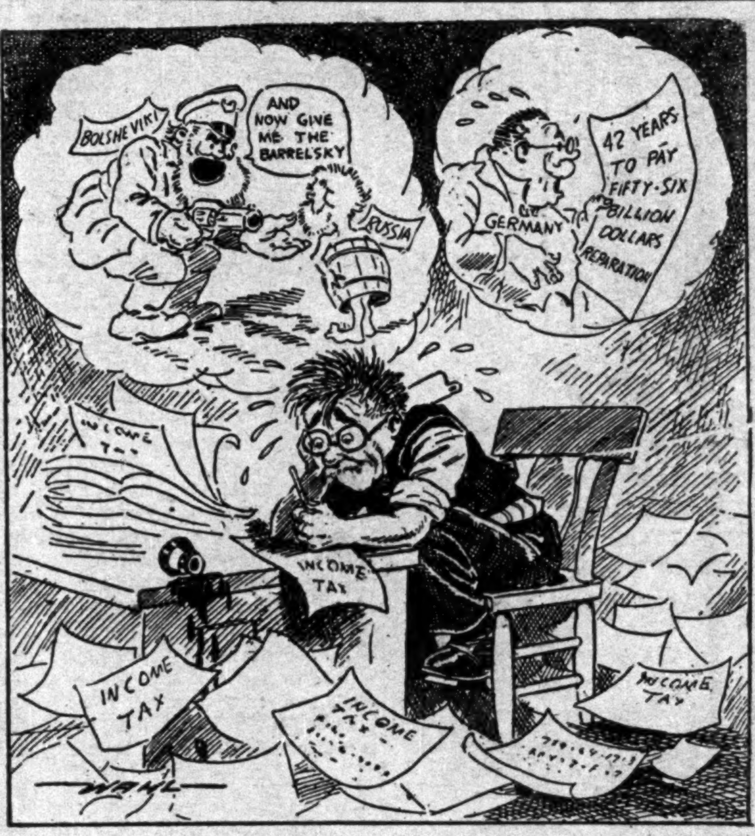
BOLSHEVIKI
AND NOW GIVE ME THE BARRELSKY
RUSSIA
GERMANY
42 YEARS TO PAY FIFTY-SIX BILLION DOLLARS REPARATION
INCOME TAX
INCOME TAX
INCOME TAX
INCOME TAX
INCOME TAX
WAHL

—Wahl in "Sacramento Bee."

Things are seldom so bad but what they might be worse.

Three Angles of Turnover Tax

REPRESENTATIVES of the three great divisions of our industrial system—manufacturers, wholesalers and retailers, are to meet the Minister of Finance in a conference on taxation. A detailed discussion of the turnover tax is expected. Recognizing that on a solution or readjustment of the existing unsatisfactory systems, rests our hope for industrial prosperity, members of this conference are preparing elaborate data to show Sir Henry that the condition of business demands a change. Of all the suggestions put forward, such as revision of the Business Profits or an extension of the Income Taxes, no plan merits so careful a consideration as the Turnover Tax.

Varied and contrary will be the opinions cited, but to them all let the first principles of the Turnover Tax give answer:

(1) Only in so far as a general revenue tax applies proportionately upon all classes and conditions of people can it be deemed just and equitable.

(2) It is essential and axiomatic that a Turnover Tax is only thinkable if it can be adjusted so as to be passed on to the ultimate consumer.

The Position of the Manufacturers

The manufacturers, more perhaps than other classes of industry, are vitally concerned in the question of making the tax capable of being passed on to the buyer. Particularly is this so in the case of the three largest industries, viz.: packing, steel and milling, which, though handling large volumes of business, do so on a very narrow margin. These manufacturers point out that in some cases a tax, even as low as one per cent. of their gross sales, would, if compelled to be paid by them, mean all the difference between profit and loss, success and failure.

Others maintain, on the contrary, that the tax can be charged as overhead and so figured into the cost of production. To this the affected industries reply, that the "world's markets" invariably control the price and that competitors would by this means gain an unfair and ruinous power.

Manufacturers claim, and justly so, that the present taxes are discriminatory. Designed under the stress of an emergency they were applied to sources that would obviously be productive of the greatest revenue by the easiest, quickest method. Naturally, organized business, invested capital and fixed salaries were the victims. The smaller man, the independent, who could more readily move his habitation or change his business, escaped to a large extent. Undoubtedly the manufacturers will approach this conference on the basis of, "spread the burden equally, allow business to recover, and as a corollary maintain a reasonable tariff."

The Wholesalers' Position

The difficulty of distinguishing between firms who conduct a purely wholesale and those who also do a manufacturing business, appears to be the chief problem in applying a tax that necessitates such differentiating. Prominent wholesalers claim that the full amount of any tax, arising from sale of merchandise, should be collected at the first source.

They point, for example, to the complexities involved in the various processes through which cloth reaches the consumer. The spinner, weaver and clothing manufacturer operates sometimes as retailer, wholesaler and manufacturer, while small tailors, who, according to a recent ruling, are not classed as manufacturers, do in fact compete with the large tailoring companies who manufacture for wholesale disposal. The small socalled "household manufacturer" thus escapes a tax and enjoys an unfair competitive advantage.

Accordingly, therefore, the wholesalers maintain that to properly collect the tax, so as to avoid evasions and discriminations, it must be collected at the first process of manufacture; that is, at its first conversion from raw material.

As the Retailers View It

A complete expression of the retailers views appears to be much as follows:

"Let the manufacturer and wholesaler add to their invoices a high enough percentage to meet the requirements of Government revenue, and we will gladly pay it. To impose an army of collectors and assessors over the large number of widely distributed retail stores in Canada, would be folly. The evasion which occurred under the operation of the luxury tax, and the deliberate falsification of returns by some merchants is undeniable evidence of the impracticability of any retail collecting system. We approve of the turnover tax—the consumer must pay it, but the tax must be collected at the source."

In this contention the retailers point to the multitude of their small transactions, which if taxed in one lump sum, would save trouble and also have the effect of making the tax more thoroughly "Indirect" and consequently less objectionable to the ultimate consumer.

In this belief the retailer appears to have overlooked the fact that by paying the tax in advance through his invoices to the wholesaler he is tying up a large amount of his capital. This would be a serious matter for many small dealers; it might even eliminate a number of them and it undoubtedly would necessitate adjustments in the event of goods remaining unsold or the percentage rate of the tax being changed.

Considering all the above viewpoints it is clear that the coming conference will have to make a decision from out of a multitude of varying council. The unsatisfactory experience with the Luxury Tax and the great expense of collecting the Business Profits Tax, will, however, have a strong influence with the finance department, urging them to adopt whatever system promises a maximum from a minimum number of sources.

MARKET ACTIVITY CONTINUES ALONG RESTRICTED LINES

Distinct Evidences of Strength, However, at Intervals During Week

RALLIES SHORT-LIVED

Unsatisfactory Industrial Conditions Restrain Development—Sentiment Continues Depressed

Whether the stock markets have completely discounted the effect of the unfavorable trend in business or not, and are in a position to move forward with the least sign of a revival of industrial activity, the fact remains that there were distinct evidences of strength at intervals during the course of the past week. The upward movements were short-lived, it is true, and within comparatively narrow range, but the contrast to the persistent sluggishness of the markets in preceding weeks, aroused favorable comment. On the whole, however, the sentiment continues depressed, and the markets are quick to respond to any unfavorable influence that may develop.

The grave unsettlement which still prevails in the industrial world, and the lack of any definite evidence that the turn is near at hand, are factors which are exercising a rigid restraint upon stock market activity. The nations have serious problems to solve, none more difficult perhaps than the restoration of the credit of Central Europe, so that these markets will be opened once again for the purchase of the goods of the world. In the meantime with the markets radically curtailed through the lack of buying power of a number of the formerly belligerent nations, production must therefore be checked and broadscale unemployment is the result. The trend of business in Canada is still undecided, and this condition is reflected by the stock markets. Building, which may be regarded more or less as a barometer of general conditions, is still of small proportions, operations being checked by the fact that building costs have suffered comparatively small deflation in price, while labor continues to hold out for the highest wage. Until these costs are readjusted upon a more favorable scale building operations will continue of small proportions despite the fact that a large volume of construction has been planned for the present season.

THE POST

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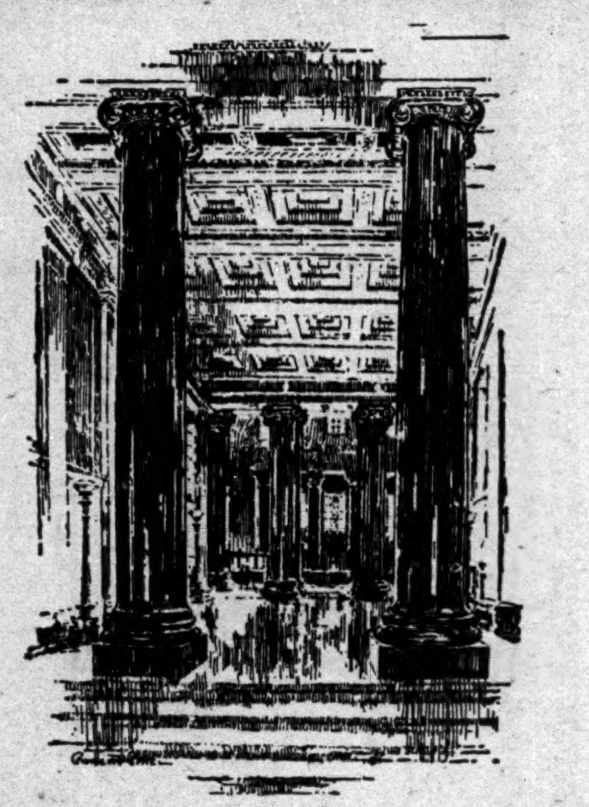

Financial Strength

THE principles upon which a Bank is founded, the number of years it has been in operation, and the policy followed during these years—these features, combined with its present standing, form the criterion of the strength of a Bank.

The Bank of Montreal began business in the year 1817, with a modest capital of $1,250,000, and for over a century it has followed a conservative—aggressive policy until to-day its capital and reserve fund total $40,000,000 and its total assets are in excess of $560,000,000.

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OF CANADA
Head Office: Montreal Established 1864

Paid-up Capital..$10,029,622 Total Deposits (Oct. 30, 1920), over $170,000,000
Reserve Fund ...$ 9,475,585 Total Assets (Oct. 30, 1920), over $209,000,000

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WHO CONTROLS WATER POWERS OF THE NIAGARA?

An Important Issue Which Promises to Arise in Future

EXPORTING ENERGY

Point Is Emphasized That Provinces Have No Powers to Undertake Transmission to United States

By ANDREW T. DRUMMOND.

Although the Niagara Falls Park was originally projected in 1880, it was not until 1892 that the development of power on the Canadian side was decided on, and that the Legislature of Ontario confirmed an agreement with, and incorporated, the Canadian Niagara Falls Power Company. The Park Commissioners appear, then, to have assumed that as, at the immediate Falls, the Niagara River was not navigable, their rights as landowners extended, under the English common law, however inapplicable, to midstream, and to the use of the water. Some doubts apear to have afterwards arisen, as in 1894, the Legislature authorized the grant to them by the Ontario Government of the foreshores or bed of the river, or lands covered with water, fronting the park lands. Thus fortified, two other power companies were, later on, also authorized to construct power works.

All this was, however, in direct conflict with the action of the Parliament of Canada, which in 1894 declared both the Niagara and Welland Rivers to be navigable streams, and authorized a private company to construct works and take water from these rivers across to the Niagara escarpment, precisely over the ground now at this later date being occupied by the Chippewa scheme of the Ontario Hydro-Electric Commission. In the following year a somewhat similar authority was given by it to another company.

Ottawa's Rights

Until recently the Government at Ottawa has taken little interest in hydro-electric development. Its rights have, however, been long in existence. Under the Union of Upper and Lower Canada the navigable waters of Canada and the land underneath these waters necessarily came under the control of the Government and Legislature of the Union, whatever might be said of the position before. Long subsequently, when the Confederation Act was passed, the continuance of this control was recognized under various headings and schedules by the Imperial Parliament, and, especially, the fact was emphasized that, with important international and interprovincial waterway systems forming boundary lines, problems would necessarily arise with which Canada, and not the provinces, should alone deal. All works and undertakings utilizing boundary waters were thus confirmed under Dominion jurisdiction.

The transmission of electric energy was then unknown, but, as showing the intentions of the Imperial Parliament, telegraphs across or under such boundary waters were placed under Dominion control. Water power development was in its infancy, but even before the Federal union, wherever the waters of navigable rivers and lakes were, in order to overcome obstructions, diverted through canals, the control of the water and of any resulting powers was invariably vested in the central government, and not that of the provinces. The Confederation Act directs that the parts of Canada formerly constituting the Provinces of Upper and Lower Canada shall be severed and shall form two separate provinces to be called Ontario and Quebec, but this is to be read in connection with the extensive provision made in the act for representative institutions, and, in its general wording, is not intended to impair the powers of the Dominion.

Other Rivers Cited

With the proposed deepening of the St. Lawrence River below Lake Ontario for ocean steamships and the development of extensive water power, the question of the rights of the Dominion in the waters of the entire St. Lawrence system has come to the front. These rights include the great water powers of the St. Marys River at Sault Ste. Marie, and of the Niagara, Trent, St. Lawrence, Ottawa, Richelieu and Saguenay Rivers. The courts of Upper Canada have, long since, declared the St. Lawrence above tide water to be a navigable river, and that no part of its bed passed to the owner of land fronting on its shores. On both this and the Ottawa Rivers there are very serious obstructions, some of them, like the Chaudiere Falls at Ottawa and the Long Sault Rapids above Cornwall, several miles in length, but the Ottawa River has also been declared, in a special Dominion Act, to be a navigable stream, solely under Dominion control. The obstruction which creates the Niagara Falls raises merely the question of relative magnitude. As a hindrance to continuous navigation, and as an engineering proposition, this obstruction has to be overcome by the construction of a canal, just as is done elsewhere. It does not bring in new conditions, nor, at the Falls, a change of ownership, as has been claimed, apparently, by former Ontario Governments, the ownership of the Dominion Government to be resumed at the foot of the rapids, for both above and below the Falls the river has been navigated for a century past.

Another important factor has, however, been overlooked by both successive Ontario Governments, and by the above three companies operating at Niagara Falls, as well as by the Canadian Light and Power Company of Montreal at its Cedar Rapids plant. The transmission to the United States by each of these companies of a very large share of the energy developed, clearly constitutes "a work or undertaking extending beyond the province" to a foreign country, and, by the terms of the British North America Act, places these companies' works under the control of the Dominion Government and responsible to it, and not to the provinces.

MAY FORCE CONCERNS INTO LIQUIDATION

If Government Presses Claims for Excess Profits Taxes—Heavy Burden

W. W. Wood, of the firm of Wood, Alexander and James, wholesale hardware merchants, of Hamilton, in a communication to the FINANCIAL POST, makes special reference to an article appearing in these columns recently, which discussed the heavy burden of excess profits taxes upon companies which were now on the verge of bankruptcy, and points out that if the government chooses to press its claims a number of these companies will be forced out of business. He writes as follows:

> There are businesses that have not been assessed for 1918 and 1919. It is impossible to know where they stand financially, and how are the individuals connected with these businesses to make up their tax papers for 1920, when their business taxes have not been adjusted with the government for 1918 and 1919? This compelling the tax returns to be in by the end of April should be postponed or cancelled.

GERMANY REBUILDS HER FOREIGN TRADE

Considerable Recovery Indicated by Figures of Exports and Imports for 1920

The foreign trade of Germany, to which the London conference gave much attention in its discussions and plans, apparently amounted, says a statement by the National City Bank of New York, to nearly or perhaps quite $2,000,000,000 in the calendar year 1920, as against about $5,000,000,000 in the year prior to the war, though the ratio of "total values" of 1920 compared with those of 1913 does not, of course, indicate a corresponding ratio in quantity, since prices of 1920 were much higher than those of 1913.

This estimate of approximately $2,000,000,000 as the total foreign trade of Germany with 60,000,000 population in 1920, as against $5,000,000,000 with 67,000,000 population prior to the war, is necessarily based upon the trade figures of the countries buying from or selling to her, since her own trade figures at the present time are not only fragmentary, but stated in units of a depreciated and constantly fluctuating currency.

The race between the United States, Great Britain and France to regain trade with Germany has been a close one. Official records of the three countries in question show that the trade of the United States with Germany in 1920 was $390,000,000, that of Great Britain £82,255,000 and that of France approximately 3,500,000,000 francs. Belgium and Italy also showed an equal trade willingness to "forget the past," while the neutrals on all of her frontages, Switzerland, Netherlands, the Scandinavian States, Czecho-Slovakia, Poland, and even Soviet Russia, showed marked gains over the preceding year, apparently bringing the grand total of Germany's foreign trade in 1920 to approximately $2,000,000,000.

PAYING CANADA'S WAR DEBT WITH TIMBER OUTPUT

A Vast Public Asset 90 Per Cent. Vested in the Name of the People

FIGHTING FOREST FIRES

A Matter Which Should Receive the Attention of the Business and Professional Men of the Country

Extracts from an address given before the Empire Club, Toronto, on Thursday, March 10th by Robson Black, secretary of the Canadian Forestry Association, Ottawa.

Before the term "forest conservation" can become much more than an amiable password we must elevate the forest resources into the very front rank of public policies and take on the job associated with their management as a first concern in our national economy. I speak of the forest areas of Ontario, not as the private business of the limit holder, but as a public asset of incredible richness vested to the extent of 90 per cent. in the name of the people of Ontario. It is true that we have alienated or rather leased (mostly for a useful purpose), much of the timber growing thereon, but by the retention of the land title, we cannot alienate the responsibility of the whole people as forest administrator and as chief conservator.

As Canadian citizens we are vitally concerned in the forest as the universal raw material entering into the business and comfort of life whether we grow peaches or build ships, construct wagons or mine coal. And because wood is the universal raw material, increasing enormously in use with the advent of every fresh wood substitute, the red tide of annual forest fires constitutes a menace to the public welfare of the very first order.

What remedies for forest depletion are being applied? The pulp and paper companies of Canada have openly and sincerely committed themselves to the principle of "sustained forest yield." They have recognized the necessity of anchoring the forest as rigidly as they have have anchored their mill dams. Fifteen companies have established forestry branches within four years. Several are replanting millions of trees on barren areas. The pulp and paper industry is as diligently in search as any Canadian Government for a workable scheme by which each square mile of timber shall be operated as a self-reproductive forest crop.

Remedy For Fires

What remedy for our forest fires? There is a general outline in nearly all provinces for thorough forest protection, but the outline needs filling in. You and I are the fillers. We start the fires. And we ask the government to put them out. Then we scoff at the rangers as lazy rascals, never around when we are most dangerous.

The moment the business and professional men of Ontario and the farmers and labor men who have most to lose plainly say that the forest resources belong as much to the people of 1998 as to the people of 1921, when they say that our timberlands are a rich treasure house that devastation must not touch, the job of conservation is an accomplished fact. Just now the weakness is that not sufficient Ontario men believe that thing with the usual Ontario tenacity and too few are willing to say it out loud.

The major undertaking in Ontario is not to plant trees by human hands, but to take the utmost advantage of the hundreds of millions of infant trees scattered through our forests by natural processes. The main job of replanting Ontario's cut-over lands will be done by Mother Nature herself, although in many locations she already has refused to do her part in face of the violations of every engineering and biological law incident to our present system of cutting.

UNITED STATES GERMAN TRADE

American exports to Germany in 1920 amounted to $311,437,000, a higher valuation than for any previous year except 1912 and 1913, the National Bank of Commerce in New York shows in the March issue of its magazine, Commerce Monthly.

Doubtless the decrease in the quantity of goods exported to Germany since pre-war years was much greater than the valuations indicate, the bank points out. Trade with Germany has nevertheless recovered to a remarkable degree, for after the United Kingdom, Canada, France, Cuba, Japan and Italy, Germany was the chief customer of the United States in 1920.

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world. Commercial and Circular
velling Credits issued —
throughout the world. Cable
are also made. Bills on the
States and Dominion of New Zea
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Capital & Reserve
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EDWARD C. PRATT
General Manager

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Over 200 Corporations, ties, Trustees, or Individ have found our an attractive Terms one to five

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Winnipeg, Man.

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Eastern
Municipals
on an
Attractive Basis

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Members Toronto Stock Exchange

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Contracting Engineers and Builders

MONTREAL TORONTO HALIFAX

W. ROSS ALGER & CO.
Investment Bankers
Dealers in Government, Municipal and School Bonds.
We Specialize in Western Bond
EDMONTON and CALGARY, AL

The Faith of Our Forefathers

OUR Forefathers pitted their strength against Nature with a sturdy faith in the future of Canada.

They began the work of nation-building which we must carry on. Is our faith less than theirs?

They pledged all, to see homes arise; we have only to combine our savings for productive use to see great industries spring up bringing general prosperity and individual profit.

Immediate returns and increasing future rewards await investors in the securities of certain companies engaged in developing Canada's basic resources. Let us tell you about them.

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LIMITED
INVESTMENT BANKERS
Members Toronto Stock Exchange.
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OPPORTUNITIES FOR BUSINESS ON WEST COAST

British Concern to Supply That Market From Canada

CANADIAN EXPORTS

A Demand for Our Own Products But Manufacturers Will Have to Go After the Orders

From Our Own Correspondent.

HALIFAX.—An indication of how some business men in Canada see the possibilities of an enlarged export trade for this country is furnished by Charles T. Mee, representing S. Dobree & Sons, who have opened a Canadian branch in Halifax with the avowed purpose of doing a foreign business that is now falling to the United States and which they think can be largely captured for Canada. S. Dobree & Sons are a large exporting firm of London, in business for a century, and for nearly that length of time have had connections with Canada. It is only now, however, that they have established themselves directly in this country, from which centre they will operate so far as much of their export trade is concerned instead of from London.

Mr. Mee was sent by his firm, eight months ago, from the Halifax branch to the West Coast of Africa with instructions to report on the opportunities for trade with that immense region and the Dominion. He asserts that the possibilities are great and that all that is needed is energy on the part of Canadians and a direct steamship service between the two countries. In many lines he is positive we can compete with the United States, particularly in such articles as flour, fish, lumber and canned goods.

Speaking of manufactures Mr. Mee says that, even there, with intelligent effort, we can do something in certain lines. As an illustration of this he said that the governor of the Gold Coast is General Guggisburg, a Canadian, who is naturally interested in seeing Canadians getting as much of the business as possible. An order was recently given by the government for a large quantity of machinery such as made in Canada. The contract, he says, would have come here but Canadians did not have the sizes required; nor were they inclined to make the machinery required to provide the sizes wanted.

Steamship Connections

Speaking of the steamship service which must be established in order to make trading with West Africa fully successful Mr. Mee recalls that the Elder-Dempster Company had a line from Canada, but that they instituted it at an unfortunate time just after a slump when cocoa fell, for instance, from the tremendous price of £95 to £105 per ton to the figure of £40. There are some prospects of a re-establishment of the line and when that comes business can be done. Trade is possible even now but via United States ports and this takes the cream off the Canadian profit even if the goods are from this country and sent forward via New York in bond.

The people Mr. Mee represents are not confining themselves to the West Coast but it is their belief that Canada can do a great business in the West Indies and other foreign countries, now only partially touched, if it is gone after in earnest and intelligently.

U. S. INTERESTS IN ONTARIO OIL FIELD

Cities Service Company Takes Over Wallaceburg Plant of Great Lakes Oil Co.

From Our Own Correspondent.

LONDON.—An important development in connection with the oil industry in this district is the taking over this week of the old plant at Wallaceburg of the Great Lakes Oil Company by the Cities Service Oil Company, Limited. This firm has been organized as a subsidiary of the Cities Service Company of the United States, controlled from 60 Wall Street, New York, by the Henry Doherty interests. H. W. Camp has arrived from Tulsa, Oklahoma, to manage the Wallaceburg plant and improvements will be undertaken at once. It is expected that the refinery will be operating again by the middle of April.

WANTS MORE POWER FOR THE FARMERS

Prof. Wood Says 50,000 Farms Should Be Wired in Ten Years

From Our Own Correspondent.

LONDON.—Keen criticism of the policy of the Ontario Hydro Power Commission is being made to the farmers by Professor Louis Woods of the Western University. He declared that 99½ per cent. of the power developed has been furnished to urban centres and only one-half per cent. to the rural districts.

Niagara Falls, he argues, exists for all, rich and poor, farmers and city people, and the farmers should enjoy the benefits of the power derived from the falls to a much greater extent than they are doing. Within ten years he says the farmers of Western Ontario will, if they go after it, secure electricity for 50,000 farm homes for lighting and for doing much of their heavy work.

Discussing the question of Hydro radials Professor Woods declares that the present is a most inopportune time to even consider the matter owing to prohibitive costs. Electric railways from the farmer's standpoint are undesirable in that they take people away from the country as well as bringing them to it. In the long run they make, he thinks, for rural depopulation. With such large numbers of auto trucks now owned by farmers, and with the number constantly increasing, he believes there are too many railways in the country now. He urges the importance of improving the highways, especially the sideroads and concessions, so that farmers might have easy access to markets.

OIL PROSPECTING IN THE NORTH NO POOR MAN'S GAME

It Will Cost $30,000 or More to Set Up a Drill

A GAME FOR CAPITAL

Conditions Are Such That Substantial Funds are Required — No Lack of Active Projects

From Our Own Correspondent.

EDMONTON.—The search for oil in the north is not to be a "poor man's game," the effect of the new regulations, as generally considered here, being that only men or companies with good bank accounts will be able to undertake the required development work. The conditions of leasing and the stipulation that actual drilling must be started on each claim will rule out, it is believed, the average prospector, and the likely operations in the Mackenzie fields will therefore be restricted to the larger interests.

It will cost $30,000 or more to set up a drill, and the north is an expensive country in which to operate in other respects, even apart from the outlay represented by the installation of a diamond rig. Now that the effect of the new restrictions is better understood, there is a tendency to look at the matter somewhat more soberly, and a good many of the prospectors and adventurers who had announced their intentions of entering the game are withdrawing from the ranks, though there will, of course, be more or less staking and trading in leases.

Imperial Oil Active

No lack of development schemes is anticipated, however, and it is already assured that a number of large company enterprises will be in the field this summer. The Imperial Oil Company, the pioneer in the field, will continue its search in the Fort Norman field and has several new drilling rigs now on the way, to be set up in the vicinity of the original well. Its well at Windy Point, Great Slave Lake, will also be continued, drilling having only been commenced in the latter part of last season.

Besides the Imperial, there will be, it is known, several other large companies in one or the other of the two northern fields. The Fort Norman Oil Development Company, a million-dollar concern with Joseph Aitken, brother of Lord Beaverbrook, at its head, is planning active development. R. L. Junkin, of Toronto, is representing eastern interests that purpose putting in a drill at Fort Norman, and he announced on his arrival here recently that actual development would be commenced in the early summer. Governor Nichol of British Columbia and Stuart Cameron, a Vancouver capitalist, are interested in a syndicate in which are represented the Pacific Construction Company, the Pacific Coast Dredging Company and the Western Packers Company, and which is said to be intending to enter the oil game in the Mackenzie field.

The Whitehall Petroleum Company, one of the outstanding British oil concerns, and the Union Oil Company, of the United States, are also understood to be taking an interest in the Mackenzie oil hunt.

The Imperial Oil Company will manufacture a limited quantity of gasoline at its Fort Norman well this summer for the use of its aeroplane service and for power boat purposes on the Mackenzie. The Fort Norman oil has been proven to have a high enough petrol content to make this feasible, and a small plant will be constructed for producing a commercial grade of gasoline by the condensation process.

The entire season's work in the north will be experimental and will be aimed wholly at proving whether or not the field is of commercial importance. The several drills to be set up will be to that end, and the next step will be to solve the problem of transportation.

SWISS TRADE EXHIBITION

The fifth Swiss Trade Exhibition, which will be held in Basle, Switzerland from the 16th to the 26th of April next, will afford an opportunity to buyers to become acquainted with genuine Swiss goods, and to obtain information as to the nature and extent of Swiss industrial production. The object of this exhibition, which is strictly national in its character, is to promote the sale of Swiss products in the home and foreign markets. Canadian visitors can obtain cards for free entrance through the nearest Swiss Consulate General or Consulate.

Helping Humanity

BETWEEN the wheat on our prairies and the daily bread of the people of this country and of distant lands runs a long chain of operations, each link of which is strengthened by banking services.

For 55 years this Bank has been privileged to furnish a substantial part of the financial energy necessary in the growth, transportation and marketing of Canada's vast crops.

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"The Touch of Courtesy Does it"

THE courtesy with which patrons of The Bank of Toronto are treated is a tradition of this institution and a matter of quiet pride with every employee. This is one reason why our depositors like to come to our Branches, not only to deposit their money, but to transact other banking business.

The co-operation of the Bank's local Managers in financing the business of its customers really amounts to a helpful alliance in which both customer and the Bank participate.

Capital $5,000,000
Reserves $6,986,354

THE BANK OF TORONTO

THOS. F. HOW
General Manager

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Property Values Definitely Established to Meet All Insurance and Accounting Requirements

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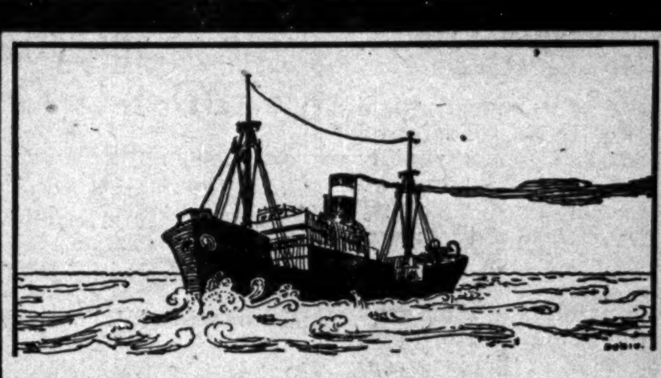

FOREIGN TRADE

is a rapidly growing factor in the prosperity of Canada.

With more than 530 branches and our Foreign Department, which is in constant touch with our correspondents throughout the world, we can offer unexcelled facilities for financing foreign business, obtaining information and making collections.

THE CANADIAN BANK OF COMMERCE

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Collections

We can be of material service to business firms in handling their collections. Prompt attention and favorable terms offered through our 617 branches in Canada and Newfoundland.

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Capital and Reserve - $40,000,000

HOME BANK OF CANADA

THE HOME BANK OF CANADA

Branches and Connections throughout Canada

Bonds and Foreign Exchange

Every Branch of the Home Bank is in ready communication with the Bond and Foreign Exchange Departments at the Head Office, and any enquiries made through any branch will receive prompt attention.

(S-11)

ELEVEN OFFICES IN TORONTO

The Bank of Nova Scotia

Established 1832

Capital ....$ 9,700,000
Reserve Fund 18,000,000
Total Assets 230,000,000

GENERAL OFFICE - TORONTO, ONT.
H. A. Richardson, General Manager.

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Collections made at lowest rates and returns promptly remitted. Accounts of firms, corporations and individuals carried on most favorable terms.

Correspondence Solicited.

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We recommend and offer the 8% Preferred Stock of this rapidly growing Chain of Economic Grocery Stores. 78 of them now in operation.

Dividends payable in Canadian or American funds.

Full particulars sent on request.

Campbell, Thompson & Co.
Investment Bankers
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Strongly Protected Industrial Investments

The present moment finds many high-grade, sound industrial securities selling at levels much lower than their book values and returning very high interest yields. These conditions are only temporary and investors will see these issues gradually work to much higher levels.

We have several attractive preferred stock issues, backed by established earnings, and in some cases carrying attractive bonuses of Common Stock.

May we send you particulars?

RICHARDSON, SHEPPARD & THORBURN
LIMITED
INVESTMENT SECURITIES
Royal Bank Bldg. - Toronto

Dividend Notice

Dividend No. 148

Notice is hereby given that a quarterly dividend of *two and one-half per cent.* (2½%) for three months ending March 31st, 1921 (being at the rate of *ten per cent per annum*), has been declared upon the Capital Stock of this Institution, and the same will be payable at the offices of the Company, Toronto, on and after Friday, the 1st day of April, 1921.

The Transfer Books will be closed from the 16th to the 31st of March, both days inclusive.

By Order of the Board.
G. A. MORROW,
Managing Director.

CENTRAL CANADA LOAN AND SAVINGS COMPANY
King & Victoria Sts. Toronto
EST 1884

The Basis of Community Life is Electric Power

The necessity for electric power makes the investment of Capital in Public Utility Companies supplying it one of the safest and most staple forms of modern investment.

A card from you and we will place you on our list to receive attractive offerings of first grade Public Utility Bonds.

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MUNICIPALITIES UP IN ARMS OVER HYDRO CONTRACT

Arrangements With Grand River Line Cannot be Renewed

A WARM SESSION

Deputation Waits on Premier And is Sent by Beck—Oshawa And St. Catharines Also in Limelight

The embarrassing position in which several urban municipalities of Ontario are finding themselves as a result of entering into Hydro radial agreements was expressed in clear-cut terms by a large deputation which waited on Premier Drury last week. It was organized by citizens of Kitchener, Waterloo, Galt and Preston, and, on invitation, was joined by other persons from centres such as St. Catharines and Oshawa. In the language of one of the party these places have found "they put their necks into a noose from which it is now difficult to be extricated."

Appreciation of the situation acutely came to the middle Ontario municipalities when they found they were unable to grant renewals of franchises to railways operating within their borders without the consent of the Hydro-Electric Power Commission. The railways are naturally reluctant to continue giving service unless they are granted renewal rights upon streets over which they have been running. A discontinuance of this service would seriously jeopardize many industries.

Provisions of the Act

An understanding of the problem can be had by reading section two of the Hydro-Electric Railway Act. Clauses "C" and "E" read:

> First, that a municipality passing a hydro radial by-law and entering into agreement with the Hydro Commission shall "make no agreement or arrangement with and to grant no bonus, license or other inducement, to any other railway or transportation company without the written consent of the Commission."
>
> Second, that these municipalities shall "furnish a free right of way for the railway and for the power lines of the Commission over any property of the corporation upon being so requested by the Commission."

This obviously prevented the places concerned from entering into agreements with the Grand Valley Railway. It has also been found that the same stranglehold is enjoyed by the Hydro Commission even against nationally-owned lines.

N. Asmussen, M.P.P. for North Waterloo, introduced the delegation and explained its wishes. Mayor Greb of Kitchener introduced the speakers. E. W. Clement, spokesman for the latter city, said very bluntly:

> "We feel we are not likely to have hydro radials for sometime to come and that we should be relieved of the burden of this agreement at least till the time comes that the hydro radial system needs the by-law, if it ever needs it. We would, in fact, like to be relieved of the by-law and agreement entirely, but if that cannot be done we ask that the Government give us relief from these drastic clauses. So many things in our life now seem to depend upon our getting the consent of the Hydro Commission."

H. C. Edgar, who spoke on behalf of the Preston Board of Trade, said that the sentiment in the town to-day was that the by-law should be wiped out, and he asked the Government to permit the submission of a repealing by-law.

J. E. Martin, on behalf of the manufacturers of Galt, said a suspension of railway service to industries on the west side of the river is threatened. It was a serious prospect for those concerned.

Councillor A. Foster said he voiced the unanimous opinion of his council in asking relief from the two clauses referred to, and the privilege of resubmitting the by-law to obtain some control over the streets.

A. A. Powers, president of the United Farmers Co-operative Company, termed the clauses as "arbitrary."

Plight of Oshawa

Under the by-law the town of Oshawa cannot even allow the railway company serving it to grant switching rights to any new factories, protested ex-Mayor G. D. Conant of Oshawa. He, too, regarded the situation as unfortunate.

An actual example of how arbitrarily the commission was exercising its authority in regard these matters was given by ex-Mayor J. M. Elson, of St. Catharines, who said he spoke only as a taxpayer in two of the municipalities concerned, but who had had experience while in municipal office. The Niagara, St. Catharines and Toronto Railway, now publicly owned and operated as a part of the national system of railways, was running on some of the streets of St. Catharines without a franchise because of the declaration of Sir Adam Beck that the municipality should not enter into an arrangement for extensive improvements, much neded in that city, because of franchise renewals. The public was denied many transportation advantages until the whole railway tangle was straightened out. He said he had sincerely helped to carry the by-laws January 1, 1917. Four years had since gone, however, and St. Catharines seemed no nearer hydro radials than it was then. The nationalization of the Grand Trunk and of the Canadian Northern had brought about unforeseen conditions that should not be ignored. As partners in an inter-municipal railway scheme he could easily understand it would be wise for those partners to individually enter into arrangement with private com-

Continued on page 8.

BREWERIES MUST GO INTO MARKET FOR MORE MONEY

Need for Over $1,500,000 Had Depressing Effect On Stock

From Our Own Correspondent.

MONTREAL.—There was a curious mixture of cheerful and disappointing news in the annual statement of National Breweries as submitted to the shareholders on Wednesday afternoon. The profits showed a fair advance on the previous year but hardly as large as had been anticipated some months ago, for they fell off the latter part of last year. Then the report showed a bank indebtedness of $1,000,000 as a new item, due to large extensions to plant, and a decline of $1,150,000 in the working capital of the company, which was coupled with an intimation that the company would be forced to do some financing for about $1,500,000 or $2,000,000. One other element that seemed to start liquidation afresh immediately after the meeting was the retirement of H. A. Ekers from the Board of Directors, the combined result being that the stock fell to a new low level for many months past.

It was stated that the company would soon have the fourth brewery completed and then would be able to close the Lachine plant and operate the rest more economically. In succession to the late Andrew J. Dawes there was chosen as president Norman J. Dawes, who has been managing director. W. H. O. Dodds and J. Hudson, comptroller and secretary, were added to the board to fill vacancies.

The profit and loss account shows income of $976,609 for the year 1920 as compared with $1,016,266 for the preceding fourteen months, allowing $26.57 available for the common stock per $100 or $6.64 on each of the $25 par value shares. The figures for the past three years compare as follows, the 1920 income averaging $81,384 per month as compared with $75,811 in 1919:

	1920	1919 (14 mos.)	1918
Income	$976,609	$1,061,350	$616,266
Depreciation	90,971	83,779	82,266
Bond interest ...	92,400	113,800	103,280
Net income	$793,238	$ 863,771	$430,760
Pref. divids.	194,250	226,625	194,250
Net earnings ...	$598,988	$ 637,146	$236,510
Com. divids.	360,688	157,801	......
Surplus	$238,300	$ 479,345	$236,510

The balance sheet shows real estate valued at $4,431,818 as compared with $3,453,691 one year ago, and machinery and plant up $592,000 to $1,695,945, representing extensions. The bonded debt is reduced from $1,580,000 to $1,500,000. The items of the working capital account compare as follows:

Working Capital

Current Assets	1920	1919
Cash	$ 198,978	$ 399,126
Acc. rec.	659,097	412,166
Inventories	1,561,268	1,306,798
Prepayments	86,532	83,654
Total	$2,505,875	$2,201,744
Current Liabilities—		
Bills and acc. pay.	$ 809,739	$ 317,862
Bank loans.......	1,000,000	......
Divid. accr.	......	32,375
	$1,809,739	$ 350,237
Bal. work. cap...	$ 696,136	$1,851,507

MR. NORCROSS' RETURN

With the return from his trip to England next week of J. W. Norcross, president of Canada Steamship Lines, it is expected details of the annual statement will be sent out to the shareholders. In a cable despatch this week it was announced that the president had closed several contracts for the company.

NEW PAPER PRICES

This week Spanish River and Abitibi companies announced a price of $110 a ton for the second quarter of this year compared with $130 for the first quarter, while the International Paper Company reduced the price for the same quarter from 5.70 to 5.50 cents, making the prices of the leading companies uniform.

MAY REGULATE RENTAL CHARGES BY LEGISLATION

Ontario Government Bill Proposes to Limit Rent Increases

DANGEROUS GROUND

Principle of Artificial Price Regulation Unsound—May Discourage Building—Unsatisfactory Basis

The Ontario legislature, if it finally passes the Fair Rentals Bill which it is now considering, will be treading upon dangerous ground, and it is doubtful whether the benefits to be derived from such legislation will not be more than outweighed by the disadvantages which as experience has proven in the past attends artificial price restrictions of any kind. The bill has been devised at the solicitation of a number of tenants to prohibit the imposition of exorbitant rentals, such as it is alleged have been prevalent. To overcome the possibility of profiteering the bill makes provision for the establishment of a maximum charge, which is fixed at 10 per cent., over the amount the landlord was receiving at January 1, 1919.

It will be readily recognized that such an arbitrary regulation of price cannot be arrived at with strict justice to all. The landlord who has been boosting his rents to abnormal levels over a period of years will still be left in a position to reap excessive profits, while the conscientious landlord who has advanced his rentals to suit the exigencies of the period may find that the margin allowed will prove inadequate to enable him to reap a profit from his investment. It is doubtful, however, whether such legislation can be justified at the present time, on the ground that rents have without doubt reached the peak of their ascent, and while displaying no definite trend at the present time, it can be predicted with a fair degree of accuracy that the next move will be downward. This will necessarily follow the altered business outlook, and the enhanced buying power of the dollar.

May Discourage Building

Landlords consulted express the opinion that such legislation will go far in retarding the building of dwellings and apartment houses. There is a pressing need for more housing accommodation, and the ultimate solution of the problem lies in the building of more and more houses. Any regulation which discourages the building of homes in this emergency must be condemned, and when prospective builders feel that the margin of their profits can be reduced at the whim of the Government, the incentive to go ahead with broadscale construction plans will be destroyed. In this case the economic law of supply and demand may be counted upon, unless retarded by Government interference, to supply the solution to the present problem.

While landlords and apartment house owners of Toronto have not taken any definite action in this matter as yet, they have condemned the principle without equivocation. The Building Owners and Managers Association, included in whose membership are a number of apartment house owners, will, it is understood, consider this question at a meeting to be called for Tuesday next, and may possibly make some recommendation to the Government.

The bill as introduced into the house this week by Hon. Walter Rollo, Minister of Labor, contains a clause which makes it retroactive to October 8, 1920, "and rents in excess of those allowed under the bill may be recovered either directly from the landlord or by deduction from the rent." It is provided, too, that the bill shall be in force only in those municipalities where the council adopts it. It does not apply to dwellings for which a rental in excess of $100 per month in cities over 200,000 and $60 a month in smaller cities was received prior to January 1, 1919. A landlord is allowed to increase his rent 10 per cent. over what he was receiving on January 1, 1919, and to charge an extra amount up to 10 per cent. for any structural improvements other than ordinary repairs. The landlord, too, is required to give four weeks' notice in writing of any proposed increase.

RAILROAD EARNINGS

Earnings of the Canadian Pacific for the first week of March showed an increase of $11,000 or .3 per cent. over the figures for the corresponding period last year, the total for the week being $3,255,000.

The Canadian National reports earnings for the week ending March 7, amounting to $2,049,345, an increase of $359,246 or 21.2 per cent.

NO NEW FINANCING FOR WAYAGAMACK

From Our Own Correspondent.

MONTREAL—Among the few pulp and paper mills that do not intend to appear in the market for working capital at the present time is the Wayagamack Pulp & Paper Company. Inquiry by the Finincial Post indicated that there is no intention of making a new bond issue nor even of selling the balance of the old issue still in the treasury, amounting to $1,500,000 out of an authorized total of $5,000,000. It is stated that the company is quite able to carry on, out of its accumulated surplus earnings, for the new machines that are now being installed, the new limits, and the increased outlay in connection with the raw materials on hand. Some time in the future the company may make an issue of common stock to capitalize the expenditures that have been made the last couple of years, but the original intention to issue this stock in connection with the split up of two shares for one has been abandoned. About one year ago an effort had been made by the bondholders to have the issue declared "closed" at the outstanding total of $3,500,000, but no action was taken.

The mill at Three Rivers started operations again this week with fair orders on hand for kraft paper. It closed down on January 15. Two of the new machines are nearly complete, after one year's delay in delivery, but it is uncertain when the remaining two will be delivered.

The Future of Public Utilities

THE new census will reveal, we believe, a large increase in our urban areas. This is the reason for the great increase in the number of passengers carried by electric cars and the growing demand for light.

The use of electric power in factory operations is increasing by leaps and bounds. Further, there is a remarkable development in the sale of labor-saving devices for household use, such as electric washers, irons, etc.

More and more our whole system of society is becoming dependent upon electric energy, all of which is being reflected in the earnings of our Public Utilities, which in most cases have been adjusted to a profitable basis, and face the future with strong credit and largely increased property values.

Before the war the securities of such companies yielded 5% to 6%. Today the same class of Securities can be purchased at prices to yield 7% to 9%.

NESBITT, THOMSON and Company, Limited
[illegible]
Montreal Hamilton London, Ont.
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THE FOUNDATION COMPANY
LIMITED
ENGINEERS AND CONTRACTORS
INDUSTRIAL BUILDINGS AND HEAVY FOUNDATIONS
STEAM AND HYDRO-ELECTRIC POWER DEVELOPMENT
DAMS AND BRIDGE PIERS
UNDERWATER CONSTRUCTION
MONTREAL VANCOUVER

THIRTY-SIXTH ANNUAL REPORT of the

Toronto Savings and Loan Company

Head Office:
437-439 GEORGE ST., PETERBOROUGH, ONT.

The Directors submit herewith their Thirty-sixth Annual Report showing the result of the business of the past year accompanied by the balance sheet to the 31st December, 1920.

After payment of Interest on Deposits and Debentures, and all expenses of management, there remain Net Earnings amounting to $155,824.75. This amount, together with the balance brought forward in Profit and Loss Account from the Year 1919 of $42,993.38, makes a total of $198,818.13, which amount has been disposed of in the following manner:

1. By payment of Four Quarterly Dividends at the rate of 12% for the year, amounting to	$120,000.0
2. By Bonus of 2% for the year on $1,000,000 Paid-Up Capital..	20,000.0
3. By Balance left in Profit and Loss Account	58,818.1
Total	$198,818.1

The Reserve Fund stands at $1,100,000.00, which is $100,000.00 more than the Paid-Up Capital.

The Balance carried forward in Profit and Loss Account is $58,818.13 as against $42,993.38 brought forward from last year.

All payments maturing during the year on the Company's Investments have been satisfactorily met, and the rentals from the property owned by the Company have also been promptly paid. The Books, Accounts and Securities of the Company have been carefully examined by the Auditors and their Report is attached to the General Statement.

Respectfully Submitted,
HERBERT C. COX,
President.

The following Directors were elected for the ensuing year: Herbert C. Cox, Richard Hall, W. G. Morrow, D. W. Dumble, K.C., E. R. Wood, E. T. Malone, K.C., and A. H. Cox.

At a subsequent meeting of the Directors, Mr. Herbert C. Cox was elected President and Mr. Richard Hall and Mr. W. G. Morrow, Vice-Presidents.

General Statement, 31st December, 1920

ASSETS

Office Premises		$ 20,000
Real Estate Owned		1,157,05
Rents		19,33
Mortgages—		
Principal	$261,151.28	
Interest	5,813.19	
		266,964
Stocks Owned		2,501,88
Loans on Stocks		42,044
Cash on Hand	$ 7,402.87	
Cash in Chartered Banks	150,323.41	
		157,720
Sundry Accounts due Company		100
		$4,165,116

LIABILITIES

To the Public:		
Debentures	$1,308,621.76	
Deposits	641,992.50	
Sundry Accounts due by Company	5,684.38	
		$1,956,298
To the Shareholders—		
(Capital Stock Subscribed, $1,000,000.00.)		
Capital Fully Paid	$1,000,000.00	
Reserve Fund	1,100,000.00	
Profit and Loss Account	58,818.13	
Dividend payable 1st Jan., 1921	50,000.00	
		2,208,818
		$4,165,116

AUDITORS' CERTIFICATE.

We hereby certify that we have carefully Audited the Books and Accounts of the Toronto Savings and Loan Company for the year ending 31st December, 1920, and have verified the cash, bank balances and securities of the Company; that we have examined the Statement and that it agrees with the Books of the Company.

That after due consideration we have formed an independent opinion as to the position of the Company; that with our independent opinion so formed, and according to the best of our information and the explanations given us, we certify that in our opinion the statement sets forth fairly and truly the state of the affairs of the Company.

That all transactions of the Company that have come within our notice have been within the powers of the Company.

JAMES A. HALL, } Auditors.
F. J. A. HALL, }

PROGRESS OF THE COMPANY

Year	Assets	Net Profits	Reserve Fund
1900	$1,803,472.53	$44,371.91	$135,000.00
1905	2,545,903.67	97,903.09	550,000.00
1910	3,355,504.40	128,048.41	720,000.00
1915	3,884,642.15	141,668.66	900,000
1920	4,165,116.77	155,824.75	1,100,00

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J. L. Davidson, Grand Councillor, Toronto
W. F. Montague, Grand Recorder, Hamilton

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Security - Then Profit

A. ANGUS MACDONALD & CO.
C.P.R. BLDG. TORONTO

Howard Smith Paper Mills, Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 2% on the Common Stock, and 2% on the Preferred Stock of the Howard Smith Paper Mills Limited, has been declared for the quarter ending the 31st day of March, 1921, payable on the 20th day of April, to Shareholders of record at the close of business on the 9th day of April, 1921.

By Order of the Board.

HAROLD CRABTREE,
Secretary.

Montreal, Que., March 14th, 1921.

Mutual Finance Corporation Limited

NOTICE OF DIVIDEND

THE regular quarterly dividend at the rate of 8% per annum on the Preferred Stock of the Mutual Finance Corporation, Limited, has been declared by the Board of Directors, payable on April 15th, 1921, to paid-up stockholders of record March 31st, 1921.

A. F. HEALY,
President.

Windsor, March 15th, 1921.

The Toronto Mortgage Co.

QUARTERLY DIVIDEND.

NOTICE is hereby given that a Dividend of Two and One-quarter Per Cent., being at the rate of Nine Per Cent. per annum, upon the Paid-up Capital Stock of this Company, has been declared for the current quarter, and that the same will be payable on and after

1st APRIL, 1921,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By Order of the Board.

WALTER GILLESPIE,
Manager.

Toronto, 3rd March, 1921.

THE FUTURE OF OTTAWA ELECTRIC STILL UNCERTAIN

Public Ownership Proposal Not Altogether Popular

WOULD BRING IN BECK

But Company is Naturally Very Definitely Opposed to a Valuation of Assets by Hydro Chief

From Our Own Correspondent.

OTTAWA. — Athough the time is steadily growing shorter in which some decision must be arrived at as to the issue in dispute between the city of Ottawa and the Ottawa Electric, there does not appear to be any sign of them getting together on the matter of the future control of the system. Controller Ellis, who has been most active in making suggestions for a solution of the matter, says there are three possible courses to be pursued: first, the city might allow the company to retain its franchise, renewable every five years—a course he thought the company would not agree to; second, the city could take over the road on the service plus cost basis — which the company is now advocating, but to which Controller Ellis and others are cold; the third alternative would be public ownership and operation—which the controller fancies, but of which many citizens are, not unnaturally, scared.

Controller Ellis also made the suggestion that the Ontario Hydro-Electric Power Commission should be asked to make a valuation of the physical assets of the company and also give the city advice on the various propositions which have been suggested for dealing with the Ottawa Electric. This suggestion was approved by the board of control and was referred back by the city council to ascertain whether the company would agree to it. They very decidedly refused, but again urged service-at-cost, stating that if the city would make some agreement along those lines that the company would undertake to make the valuation of the property an easy matter. The company states that while they would welcome any reasonable suggestion as to the method to be adopted for the future operation and extension of the system, the method of valuation suggested was not in accordance with the agreement with the city, and therefore, could not be considered.

The Ottawa Journal, which is opposed to municipal ownership, points out that in gross receipts per mile and nearly every other test Ottawa takes prominent rank among the cities of Canada in the character and prosperity of its service, a position won by sagacious administration, and it would be a calamity if its standards were lowered—as it is presumed they would be by municipal ownership.

NIAGARA FALLS POWER

Net Income Increases—Look for Resumption of Industrial Activity

The financial statement of the Niagara Falls Power Company and the Canadian Niagara Power Company for the year ended December 31 last, which has been just issued, shows substantial improvement in revenue for the year. According to the consolidated income account the gross operating revenue amounted to $6,031,950 compared with $5,098,100. After all deductions for operating expenses, taxes, dividends, etc., the net income amounts to $2,241,148 compared with $2,084,055, or an increase of $157,093.

The officers of the company confidently look forward to an early and full resumption of former activities of the industries of the Niagara frontier. The demand for low-priced electric power, which has progressively increased during the past two decades, will, it is contended, continue in growth for many years, and that such recessions as from time to time may occur will be of short duration. The annual meeting will be held at the latter part of the month.

DULUTH-SUPERIOR

For the first week of March earnings of the Duluth-Superior Traction Company totalled $36,295 as compared with $37,120 for the corresponding period in 1920, a decrease of $824 or 2.2 per cent. For the year to date the earnings amounted to $332,018, a decrease of $19,301 or 5.5 per cent.

AMES-HOLDEN-McCREADY.

The annual meeting of Ames-Holden-McCready, Limited, will be held in Montreal on Wednesday, March 30, at noon to receive the report for the year. On the preceding day the annual meetings of the Felt and Tire subsidiaries will be held.

FORD OF CANADA

Ford Owns Less Than One-Third Property Now Selling for $21,000,000.

The fact that Henry Ford owns less than 30 per cent. of the stock of the Ford Motor Company of Canada, gives special interest to the rumor from Detroit that Mr. Ford may sell his interest in this company for four or five million dollars. This stock, which is listed on the Toronto Exchange, is now selling for about $21,000,000. For the year ending July 31 last the company did a business of $43,671,988, and the net profits were $4,696,243, after deducting all expenses, including maintenance and business profits war tax. Exclusive of tractors, the sales were 55,616 cars.

B. C. TELEPHONE CO. WANTS HIGHER RATES

A Big Deficit in Sight on Basis of the Present Charges

From Our Own Correspondent.

VICTORIA.—The British Columbia Telephone Company is making application to the Board of Railway Commissioners for power to increase its service rates. The application is being opposed by the municipalities served by the company, principally Vancouver, Victoria and New Westminster.

The company is asking for rate increases averaging 15 per cent. and in its petition sets forth that labor costs have increased 70 per cent. and material costs 94 per cent. during the last few years. It is stated that $3,000,000 is required by the company for construction work this year and next year, and that an additional annual net revenue of $400,000 is essential.

For the fiscal year ending March 31, 1921, the company's operating revenue, based on nine months' (April to December inclusive) actual operation and three months' (January to March inclusive) estimated operations, will be inadequate to provide for operation, maintenance, depreciation and return on its investments in plant and equipment, etc., for the use of the public, as will be apparent from the following statement: Value of plant and equipment, etc., as at November 30, 1920, after deducting reserve for depreciation, $5,907,253; return of 10 per cent. per annum on above, $590,725; return of 8 per cent. per annum on working capital of $250,000, $20,000; total, $610,725. Net telephone operating revenue for eight months ending November 30, 1920, $159,941; on the same basis for twelve months, $213,255. Deficit, $397,469.

SPANISH RIVER PULP

Shareholders Allow Directors to Borrow to Extent of $20,000,000

Shareholders of Spanish River Pulp & Paper Mills, at a special meeting, unanimously approved a by-law of the company authorizing the new general bond issue, whereby the directors are authorized to borrow an amount not exceeding $20,000,000 to be secured by an issue of general mortgage bonds of the company. A preliminary issue of $3,000,000 was recently disposed of by the company, the money to be used for repaying part of the capital expended on the company's properties during the past few years. A circular addressed to the shareholders stated that since July, 1915, over $7,000,000 had been expended in enlarging and improving the properties, as a result of which the output has been increased by 110,000 tons per annum, making a total capacity of 230,000 tons, and resulting in the earnings available for dividends for the six months ending December 31 last being in excess of $2,500,000. The working capital has also been increased to over $7,000,000.

CANADA LAND IRRIGATION

Shareholders of the Canada Land Irrigation Company, which is an amalgamation of the Alberta Land Company, and the Canada Wheat Lands Company, have been extended an invitation, according to a report from London, to subscribe £300,000 of 7 per cent. prior lien debentures at par. It is stated that this company must have more money or go into liquidation. The debentures are to be redeemable in 1929 and 1933 at a premium of 100 per cent.

CANADIAN GENERAL ELECTRIC

Canadian General Electric common continued as the popular market feature throughout the week, and moved once more to the high point at 117 attained a week ago. At this figure there was a heavy demand for the stock. With the near approach of the annual meeting, which is called for Monday next, anticipations are entertained of some news developing which will be of decided interest to shareholders. There was nothing of a definite nature, however, this week, the Street adhering to the explanation that a stock bonus will be declared, the figure being even placed as high as 25 per cent.

BUSINESS ON HAND OF NATIONAL CAR

Catching Up on Bookings But New Government Orders Looked For

R. J. Magor, of New York, president of the National Steel Car Corporation, in a communication to THE FINANCIAL POST draws attention to the condition of the company's business. The company has substantial orders on its books. The total value does not approach $14,000,000 as reported some weeks ago. This figure represented approximately the amount of business on hand last fall, but as steady output has been maintained since, and as no new orders have been placed, there is at the present moment on the company's books only approximately one-half of this amount, or, to be more exact, about $6,800,000. On account of the large capacity of the plant, Mr. Magor adds, it will take only a very few months to finish these orders, but by that time it is hoped the Canadian railroads will come into the market for equipment. Continuing he said:

> The set-back the company had during the war was a very severe one, but the writer was so convinced of Canada's future that he and his associates did not hesitate in assuming the tremendous responsibility of taking the organization over, and turning over in trust to the board of directors of the old company a large block of the stock of the new corporation, to be distributed in exchange for the old stock. And it is his understanding that a short time ago, a committee of old stock holders was formed to distribute the stock put aside for this purpose, plus a certain amount of cash that was available for this purpose. The old stockholders therefore in this way become stockholders of the new corporation, and by securing our share of the Canadian business, plus British colonial orders for equipment, it is felt that our success is assured. As Canada is the largest car producing country within the British Empire, if private or government financing assistance can be secured for colonial orders, we feel that a substantial portion of this business should come to Canada.

CONSOLIDATED SMELTERS

Ore receipts at Trail Smelter for the first week of March totalled 8,107 tons. For the year to date the total is 74,353 tons.

DETROIT UNITED RAILWAY

Postpones Shaping Final Policy Pending Result of Municipal Vote

The ratepayers of the city of Detroit will decide by a general vote on April 4 between the municipal ownership proposal to purchase 25 miles of non-franchise company trackage and a "service-at-cost" proposition submitted by the Detroit United Railway Company. The traction situation in Detroit has been complicated by the approval of the city's plans obtained from the United States Supreme Court, and the final policy of the company will remain undetermined until after the April 4 election.

The city now has $15,000,000 authorized for its programme, which contemplates taking over ultimately the Detroit United Railway trackage, built under day to day agreements, and the lines on which the franchises have expired. The company's proposal is for a 6 per cent. return for a period of 30 years, during which time the lines would be under complete city control. It would permit city purchase through the operations of a sinking fund, and would unite the company's lines into one operating system with single fares and universal transfers.

BRAZILIAN

The January earnings statement of the Brazilian Traction, Light and Power Company shows an increase in net over the figures for the same month in 1920, of 1,107,000 milreis, the total for the month being 6,217,000 milreis, against 5,110,000 milreis last year. Gross earnings totalled 12,875,000 milreis, an increase of 3,220,000 milreis, while operating expenses amounting to 6,658,000 milreis, were higher by 2,113,000 milreis.

The figures following show the gross and net for the past seven months:

	Gross (Milreis)	Net (Milreis)	Net inc. (Milreis)
July, 1920	11,745,000	6,118,000	729,000
August	11,837,000	6,152,000	1,267,000
September	12,043,000	6,217,000	1,208,000
October	13,442,000	6,490,000	1,977,000
November	12,199,000	5,824,000	885,000
December	12,600,000	5,683,000	795,000
Jan., 1921	12,875,000	6,217,000	1,107,000

PORTO RICO.

Gross earnings for the Porto Rico Railways for the month of January amounted to $116,729 against $105,833 for the same month in 1920, an increase of $10,896 or 10.29 per cent. Net earnings amounting to $52,656, showed an increase of $12,016 or 29.93 per cent.

ABITIBI TO SHOW NET EARNINGS OVER $5,000,000

Heavy Increase Compared With $2,125,000 of 1919

From Our Own Correspondent.

MONTREAL.—The annual report of the Abitibi Power & Paper Co., it is understood, will show a total of net earnings of slightly over $5,000,000 as compared with $2,125,717 one year ago, or an increase of 137 per cent. On the other hand there will be a very heavy tax deduction for 1920, as following several decisions already given by the taxing commissioner the company would be allowed a capitalization of only $6,000,000, that is on the old basis before the split of five to one, namely, of $5,000,000 of common and $1,000,000 of preferred. This might run the total to close to $1,500,000, leaving a net of $2,400,000 available for common dividends or in the neighborhood of ten per cent. With actual payments of six per cent. there would remain close to $1,000,000 as surplus for the year.

While this in itself is a most gratifying statement to come before the shareholders for the year that has passed, consideration must be given to the present year. The company at the present time is running to about 75 per cent. of capacity, but about the first of May will have three new newsprint machines ready to operate, making the total capacity some 160,000 tons per annum, or well over 500 tons a day. In addition a surplus of pulp could be disposed of. What the demand for newsprint will be this summer is very uncertain at this moment, so that it is not clear yet whether the Abitibi Company will be able to make use of this increased capacity available in a couple of months. Nor is it clear what the price of newsprint will be by the end of June. For the first three months the company has been receiving $130 a ton, and this week announced a price of $110 a ton for the second quarter of the year. Last year the big profits were piled up on a price of $100 a ton.

YOUR BUSINESS LETTERS: A Gold Mine Almost Untouched

THIS is the title of the first of a series of articles on "Better Business Letters" now appearing in "Marketing." The series was written to interest executives, and contains a digest of the valuable experience in correspondence problems accumulated by Louis Balsam during years of practical study.

Louis Balsam is Secretary of the Direct-Mail Advertising Association. He is co-author of the Correspondence Course of the La Salle Extension University, and has recently completed a manual on Correspondence which is being published by the Cornhill Publishing Co. of Boston. He has lectured on the subject of letter construction in many large cities; was formerly sales-correspondent for Sears-Roebuck Co., and until recently was Director of Correspondence for the Lewis Manufacturing Co. of Boston.

Most big business men are coming to believe that letters perform nine-tenths of the contact work accomplished by their concerns. They are discovering that better letters are as important and necessary as better sales-methods and better cost-keeping.

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BETWEEN—"DEAR SIR" AND—"YOURS TRULY"

SOMEWHERE, every morning, some fellow picks up a letter from your house. It may be that correspondence is the only point of contact you have with him. If so, he judges you almost solely by the words that occur between the commonplace—"Dear Sir"—and the stereotyped—"Yours truly."

Have the people who write letters in your organization realized that? Have they got the habit of trying to "visualize" the other fellow?

Take a carbon copy of one of your letters out of your file, at random, and ask yourself if the fellow at the other end is apt to look forward to such letters. That's a mighty good test of correspondence.

There are plenty of others. Mr. Balsam's articles tell you what they are and how to apply them.

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"Four Cardinal Rules of Successful Letter Writing."

"Good Will—Do Your Letters Produce It or Destroy It?"

"Five Successful Sales-Letter Tactics."

"Eliminating Sales Resistance in Letters."

"The Immense Importance of the Adjustment Letter."

"Collection Letters—Their Effect on Sales"

"Co-Relation of Correspondence—Tying Up the Letters of Various Departments to Form a Logical Unit."

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MACDONALD'S "Cut Brier"

ADVERSE TURN IN BUSINESS AFFECTS SIMPSON'S PROFITS

Stand at Close of Year at $1,052,281, Compared With $1,986,343

NOT UNEXPECTED

Company Reports Larger Turnover—Important Concessions in Price in Current Sales of Merchandise

Although the Robert Simpson Co., experienced a larger volume of business during 1920 than for the previous year, yet the financial statement dealing with the year's operations shows a decided falling-off in profits compared with 1919. This was not unexpected, however, in view of the conditions under which the business was required to operate during the last six months. The net profit stood at $1,052,281, which compares with $1,986,343 for the previous year, representing a decline of $934,062. Together with a balance of $2,741,745 brought forward there was available for distribution $2741,745, compared with $2,808,963 at the end of 1919. The usual disbursement of $201,000 on behalf of preferred dividend was made. There was also applied the sum of $385,250 in dividends on the common, compared with $368,500 for 1919; $212,000 as a war tax reserve, against $300,000; and $100,000 to the reserve for bonuses, compared with $250,000. The balance after all charges amounts to $1,843,495, and compares with $1,689,463 carried forward at the close of previous year's operations.

The following comparative table shows the distribution of earnings for the past two years:

	1920.	1919.
Net profit	$1,052,281	$1,986,343
Bal. forward	1,689,463	822,620
	$2,741,745	$2,808,963
Div. on pf. stock	201,000	201,000
Div. on com. stock	385,250	368,500
War tax reserve	212,000	300,000
Res. for bonuses	100,000	250,000
	$898,250	$1,119,500
Bal. carried for	$1,843,495	$1,689,463

President H. H. Fudger, in the course of his report to the shareholders, referred to the adverse developments in business during the past year, together with the downward movement in the prices of merchandise, particularly during the last six months of the year. In consequence, he added, important concessions in price were made in the current sales of merchandise in stock. A further effect was the necessary reduction in the value of goods on hand at stock-taking. The hope was expressed that under the circumstances the shareholders would consider the results as satisfactory.

Covering the details of the balance sheet attention was directed to the smaller stock of merchandise on hand than was represented in the balance sheet for the previous year. Under the generally adverse conditions of the last six months of the year, the president adds, this reduction in stock reflects great credit upon the merchandise, managers and buyers of the company. In addition to reduced stocks, commitments for later delivery are materially lower in value than the commitment of a year ago.

The general balance sheet indicates the sound financial position of this company. Assets are slightly lower in value, owing to the price readjustment of merchandise on hand, the total now standing at $13,495,656, compared with $13,755,016. Current assets now stand at $6,300,115 against $6,120,069. Investments in government bonds have been reduced from $943,177 to $251,540. Deferred charges have increased from $515,922 to $748,484. This somewhat important increase arises out of the earlier publication and delivery of the spring mail order catalogue and the consequent payments made to the publishers. Current assets are slightly lower, standing at $2,423,330, against $2,518,055. Mortgages on Mutual and Church street properties amount to $380,517. The reserve for bonuses and profit sharing stands at $145,776, compared with $301,100.

HOWARD SMITH PAPER

At the annual meeting of Howard Smith Paper Mills, Ltd., officers and directors were re-elected. The directors declared the regular quarterly dividend of 2% on the preferred and common stock of the company for the quarter ending March 31, both payable April 20, to shareholders of record April 9th.

The Canadian Government Merchant Marine is in receipt of information from Havana, Cuba, pointing out that conditions are now satisfactory in that port. As a result the "National" Merchant Marine is planning to resume its regular service to Havana, and expects to clear a ship from a Canadian Atlantic Ocean port on March 20th, and a second probably about April the 10th.

BOOT AND SHOE INDUSTRY

Capital Investment in Canada of $38,680,581—Statistics For 1919

A preliminary report on the leather boot and shoe industry of Canada received by the Department of Trade and Commerce, Ottawa, shows a capital investment at the end of 1919 of $38,680,581. Other details are:

Salaries and wages	$13,250,744
Employees	15,817
Cost of materials used	$40,523,696
Production	$63,319,128
Pairs produced	19,160,749

Quebec leads the provinces with a production of $41,689,124 to Ontario's $18,084,695.

Wage schedules showed 612 employees under $5 per week; 3,094 between $5 and $10; 3,961 from $10 to $15; 2,924 from $15 to $20; 1,845 from $20 to $24; 1,413 from $24 to $28; 520 from $28 to $30, and 1,448 over $30 a week.

CANADIANS MAKE DEMANDS IN MEXICO

Claims totalling $12,000,000 have been made by Canadian investors and companies in Mexico, on account of damages suffered during the recent disturbances. The claim of Canadian investors is part of a total of $91,000,000 asked of the present Mexican Government by domestic and foreign investors in that country. Mexicans are asking $40,000,000, Spaniards $24,000,000 and English companies $4,600,000.

The national debt of Mexico, a country which seems to be rapidly regaining internal stability, is given

External Debt—		
Capital	$287,043,240.53	
Interest	80,708,711.78	
		$367,751,952.31
Internal Debt—		
Capital	136,556,637.50	
Interest	39,533,874.83	
		176,090,512.33
State Debt—		
Interest		1,166,992.75
		$545,009,457.39
Capital and interest on 4 per cent. guaranteed bonds of National Railways and debt to Pearson Company for winding up of Tehuantepec Railway		130,244,448.23
Claims on Government owing to Civil War		91,477,269.36
		$766,731,174.98

PROFITS OF SALT CO. SLIGHTLY REDUCED

Affected by Unprecedented Costs of Operation—Capital Stock Increased

High operating costs adversely affected the earnings and profits of the Canadian Salt Company, with the result that operating profits for 1920 were slightly lower than for 1919, standing at $202,298, compared with $226,881 for the previous year and $223,342 for 1918. The surplus account has been reduced from $595,858 to $206,850. In addition to the regular distribution on behalf of interest on bonds, bank interest, directors' fees, etc., there was made a further distribution of capital stock of the company to the extent of $400,000. This additional stock which increased the outstanding stock from $800,000 to $1,200,000 was made in on the basis of one share for two, such stock representing that amount of the accumulated undivided surplus as at December 31, 1916.

	1920.	1919.
Profits	$202,298	$226,881
Balance forward	595,858	523,572
	$798,156	$750,453
Dividends	$ 88,000	$ 64,000
Bond interest	24,000	24,000
Depreciation reserve	34,557	33,336
Written off	2,300	2,300
War tax	14,626	.....
Income tax	.....	1,670
Sinking fund	10,000	10,000
Int. on overdraft	12,992	14,849
Directors' fees	4,840	4,440
Spec. dividend	400,000	.....
Balance	$206,841	$595,858
Net profit	$ 98,981	$136,286

Sir Thomas Tait, who succeeded the late E. G. Henderson as president of the company, in speaking of conditions affecting the company's operations, pointed out that owing to the high adverse rate of exchange it cost the company over $62,000 during the year to remit funds to the United States to pay for coal and other supplies not obtainable in Canada. On account of the uncertainty as to delivery it was necessary to carry unusually large stocks of coal, etc. The difficulties experienced in the previous year in obtaining an adequate supply of fuel and Hydro-Electric power continued during the greater part of the year. The cost of manufacturing was the highest in the history of the company, but, Sir Thomas added, there have been signs of improvement in some of the conditions affecting costs.

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71st Annual Statement

OF THE

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HARTFORD, CONNECTICUT

MORGAN G. BULKELEY, President

JANUARY 1, 1921

ASSETS	
Home Office Buildings	$1,375,000.00
Real Estate acquired by Foreclosure	16,689.92
Cash on Hand and in Banks	7,081,108.13
Stocks and Bonds	66,982,686.79
Mortgages secured by Real Estate	72,919,028.23
Loans on Collateral	949,039.00
Loans secured by Policies of this Company	13,683,406.68
Interest due and accrued December 31, 1920	4,110,446.44
Due from Reinsurance Companies and Others	35,154.90
Premiums in course of Collection and Deferred Premiums	7,463,101.79
Amortized Value of Bonds and Market Value of Stocks over Book Value, less Assets not admitted	2,886,704.26
Total Assets	$177,502,366.14

LIABILITIES	
Reserve on Life, Endowment and Term Policies	$123,451,986.00
Reserves not included above	3,473,350.80
Premiums paid in Advance,, and other Liabilities	1,976,303.02
Unearned Interest on Policy Loans	375,130.07
Taxes falling due in 1921	1,512,652.16
Reserve for special Class of Policies and Dividends to Policyholders payable in 1921 ($1,905,539.43)	4,096,564.26
Losses and Claims awaiting Proof and not yet due	1,953,566.16
Unearned Premiums on Accident, Health and Liability Insurance	7,707,429.48
Reserve for Liability Claims	13,927,967.28
Capital ..$5,000,000.00	
Surplus ..14,027,416.91	
Surplus to Policyholders (including Capital)	19,027,416.91
Total Liabilities	$177,502,366.14

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ACTIVE DAYS ARE ANTICIPATED IN NORTH COUNTRY

But the Power Situation Is Still a Serious Matter

SILVER'S OUTLOOK

Prospects Are Not of the Best and the Market Price of the Metal is an Important Factor

From Our Own Correspondent.

COBALT.—A real drive ahead for the mining industry of Northern Ontario seems to be planned by the big mines. The B. A. N. C., of Sudbury, plans to resume underground work about the 1st of May, while the Hollinger mine, in a call sent out for miners, expects about the same time to be going at full capacity and the Hollinger plans to build its force up to 2,000 men.

The McIntyre and Dome are also planing a program of enlargement, while the Porcupine Crown will also follow. News of the reopening of the V. N. T. is eagerly awaited and there are many who hope that the Schumacher will also start up in the spring.

The Power Problem

Power, however, is the keynote of the whole situation in the gold camps and this applies to Kirkland Lake as well as Porcupine. It is generally conceded that in a very short time the maximum output of 1920 will soon be passed by 50 per cent.

As to the silvers, the outlook is not the best and the eyes of the silver industry are more trained on the price of silver than on the power supply. The Mining Corporation closing was a jar and it would not be surprising if more of the silvers close, if silver stays down. The mine managers got in bad over the wage situation. They were paying the men a bonus. When silver dropped they kept up a bonus of 75 cents a day, though the price of silver did not call for this. Later the bonus was made a part of the wage scale Silver kept tumbling and the managers tried to cut the wages, but the miners declined and asked for a conciliation board.

The annual report of Nipissing should be along in a week or so. It will undoubtedly show a profitable year. The ore reserves of over six million ounces of silver as shown in the last report will be materially cut, due to existing conditions, such as the labor, and later, the power shortage.

Notes of the Mines

The annual report of the McKinley-Darrah shows a loss of $40,574, with $202,292 paid in dividends. The surplus was cut from $365,601 to $112,735. Production was 627,360 ounces, compared with 767,398 ounces in 1919. The price of silver will dictate the reopening of this property.

The Wisconsin-Skead is making big claims for both the quantity and value of its ore. In an article to a mining paper an official says: The mine has $700,000 worth of millable ore developed and proven. Values are given as from $10 to $35.

There is some talk that the Murray-Mogridge will resume. When the property closed the treasury was about empty, due to the heavy calls to care for the purchase price of the property. However, it is understood that the stock has been going good and the cash box is again filling. This is a large and promising property.

Kerr Lake directors have decided on another 12½ cent dividend payable April 15 to shareholders of record April 1. This will bring the return of this mine to the shareholders up to $8,935,000.

It is generally believed that the Dome will declare a 25 cent dividend payable about April 25.

SHIPBUILDING INDUSTRY

Capital Investments $72,114,691 — Value of Products $88,454,139.

The capital investment in the shipbuilding industry of Canada for the year 1919, according to the preliminary report issued by the Dominion Bureau of Statistics, reached a total of $72,114,691. The report is divided into two sections, one dealing with the shipbuilding, and the other with the boatbuilding industry. Some 78 shipbuilding plants were in operation during the year and 99 boatbuilding plants. Employees numbered 834, and salaries and wages amounted to $920,441. Materials used in construction of ships were valued at $35,969,327, and in boats, $587,624. The 281 vessels built had a gross tonnage of 2,604,539, and were valued at $88,454,139.

MINING STOCK QUOTATIONS

Week ending March 15.

	High	Low	Close	Sales
Adanac	1⅝	1½	1½	6500
Apex	2	1¾	1¾	2000
Atlas	19	..	..	1000
Bailey	3⅝	3½	3½	6000
Beaver	39	37½	38¼	16300
Boston Crk..	10	..	..	1000
Cons. Smelt.	18¾	18	18¾	415
Coniagas ..	2.05	2.00	2.00	840
Dome Ext...	56	53	56	150
Dome Lake.	3¼	..	..	500
Dome Mines	17.50	17.15	17.50	700
Gifford	1⅛	1	1⅛	11000
Gold Reef ..	4	3¾	3¾	33500
Hargraves .	1½	1¼	1½	8000
Hollinger .	6.73	6.60	6.74	1725
Hunton	10	9	10	2000
Keora	18¼	17½	18	70000
Kirk. Lake .	50	48	49	14600
La Rose ...	23	21	21	15925
Lake Shore .	1.18	1.16	1.16	1900
McKinley ..	28	20	20	3500
McIntyre ...	1.98	1.95	1.95	4022
Min. Corp. ..	1.05	0.95	0.95	2090
Newray	7	6	6½	9700
Nipissing ..	8.75	8.50	8.66	175
Ophir	1½	..	..	300
Porc. Crown	21½	20	20	5000
Porc. Imper.	⅜	..	..	1000
Preston E. Drome ..	3½	..	..	1000
Schumacher.	25¼	25	25¼	4000
Teck Hughes	10	9½	9¾	15200
Timiskaming	25	24½	24½	4000
Pete. Lake..	8	7¼	8	1500
Trethewey .	17	15	16½	13200
V. N. T.	19½	18¼	18½	72200
West Dome.	7	6	6⅜	75600
West Tree ..	5	3¼	4	14000
Skead	53	51	52	82500
La Palme ..	5	..	..	1000

B.-A. NICKEL WILL WORK UNDERGROUND

It Is Reported That Operations Will Be Resumed in April

From Our Own Correspondent.

SUDBURY. — When the British American Nickel Corporation closed down three weeks ago there were many who predicted that it would be a long time in reopening. It will therefore be a surprise to many to learn that unofficial advices are that the corporation plans to launch a large program of underground development about the latter part of April.

Such a move is not an unexpected one to those in touch with the situation at the Murray Mine. There is only one shaft on this property and in past operations the smelter was able to keep pace with the hoisting to surface. This precluded the accumulation of an ore dump on surface, and while it is undoubtedly more economical to handle the ore direct to the smelter, instead of piling it and later rehandling, there are other ways that the B. A. N. C. may economize, while the ore dump would ensure an ever available supply of ore for the smelter. So a new shaft will be sunk and a large body of ore opened up, stoped, and prepared for hoisting, when operations are launched at full swing. It is understood that the plans for this were made before the close-down. The employees wanted back were paid a month's salary and told they should be ready for a call back to work about April 19.

Owing to the power shortage the corporation up to the close-down operated by the steam plant. It is understood that the power company has made a contract to supply 200 h.p. for the underground development work.

MAKING BRIQUETTES OF ALBERTA'S COAL

Experiments at Ottawa Are Reported to Have Been a Success

From Our Own Correspondent.

EDMONTON. — Samples of coal briquettes made in Ottawa from semi-bituminous coal supplied by one of the Edmonton mines have been received here. The results of the experiment are declared to have been entirely satisfactory and the feasibility of the briquetting of Alberta-mined coal has been established. The method of manufacture is understood to be the same as that used at the Dominion Government plant at Estevan, Sask.

Further experimentation in coal briquetting will be carried on by Edgar Stanfield, late of the Dominion fuel-testing bureau at Ottawa, who has been engaged to make an exhaustive study of Alberta fuels for the provincial Government. The equipment for Mr. Stanfield's work is now being installed at the university.

The use of the Athabasca tar sands as a binder in the manufacture of briquettes from local coal is one of the possibilities thus to be investigated. If the petroleum-soaked sands of the north country can be satisfactorily used with slack coal from the Edmonton mines, an industry of great importance is in prospect, and experiments are to be made with that end in view.

COAL OUTPUT OF CANADIAN MINES SETS NEW RECORD

Reaches 16,968,568 Tons for 1920, Compared With 13,919,096 Tons.

The output of coal from Canadian mines during 1920 established a new record. According to a preliminary report by the Dominion Bureau of Statistics the output amounted to 16,968,568 short tons, as against 13,919,096 short tons in the preceding year. The previous high record was in 1913 at 15,532,878 short tons. Exports increased to 2,558,223 tons, as compared with 2,070,050 tons during 1919, and imports from the United States to 20,815,396 tons from 16,982,773 tons.

Except in Saskatchewan the output of coal for the past year was everywhere in excess of that mined for the previous year. Alberta led the way, her percentage of the Canadian output being 41 per cent. The other provinces follow in the order named: Nova Scotia, 37.8 per cent.; British Columbia, 18.3 per cent.; Saskatchewan, 1.9 per cent.; and New Brunswick, 1 per cent. By varieties the increases in output for Canada amounted to .3 per cent. for anthracite; 16 per cent. for bituminous, and 5.6 per cent. for lignite.

Importations of bituminous coal into the Province of Quebec from the United States fell off markedly, the total figures being 2,673,819 short tons in 1920, as against 3,503,410 tons for 1919. Receipts of anthracite amounted to 1,544,456 tons for 1920 and 1,378,460 tons for 1919.

The trend in output in the several coal-producing provinces can be traced in the following table in which 1910 output in the case of each province is taken as 100, and the output for the succeeding years is calculated as an index number based on 1910 output:

	1910	1915	1917	1919	1920
Nova Scotia ..	100	115	97	88	98
New Brunswick	100	228	342	300	308
Saskatchewan .	100	127	188	198	175
Alberta	100	126	167	169	239
B. C.	100	62	75	75	87
Yukon	100	46	32	...	...

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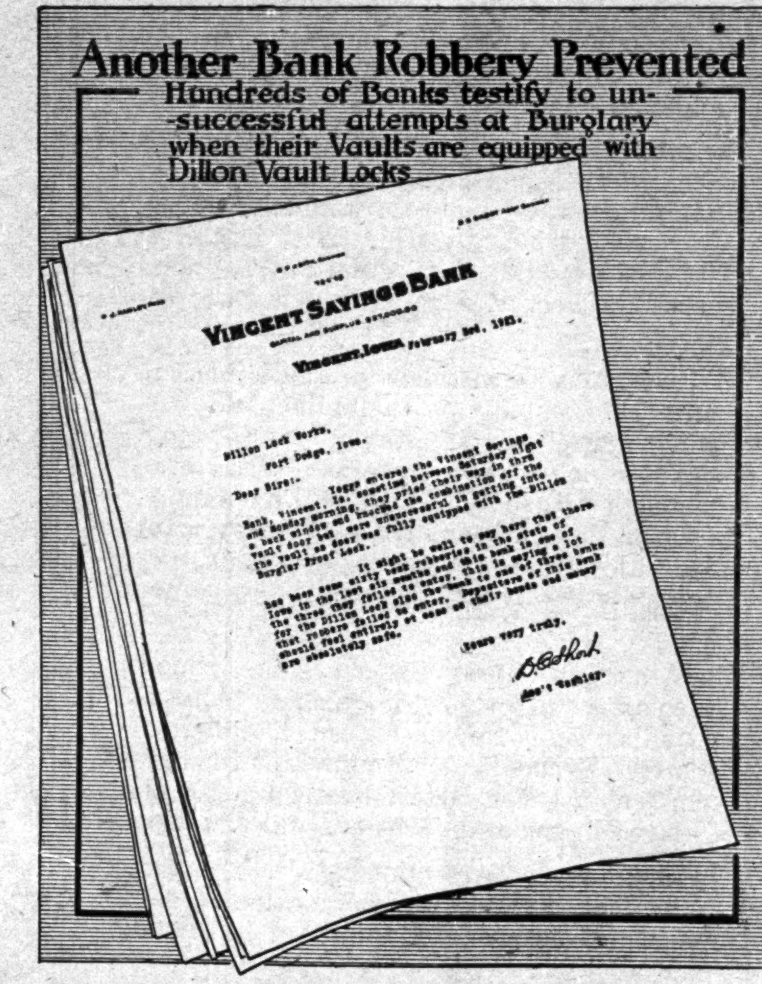
FRIDAY, THE FIRST DAY OF APRIL

next, to Shareholders of record at the close of business on the Fifteenth day of March.

By Order of the Board.

GEORGE H. SMITH,
Assistant General Manager.

Toronto, February 23rd, 1921.



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EXPORTS DURING 1920

Amounted to a Total of $34,200,000 to States and $5,000,000 Came Back—The Mystery Shipments

The current $10,000,000 gold shipment by the Canadian government, going forward to liquidate part of the $25,000,000 Canadian war loan maturity on April 1, is the first important bullion parcel that the Dominion has shipped into the United States for almost two years. In December, 1919, it will be remembered Sir Henry Drayton, Minister of Finance, released $20,000,000 of the country's gold in an effort to correct the position of the Canadian dollar in New York, but the apparent futility of continuing to "uphold" the Canadian situation by gold shipments was quickly recognized and this has remained the only movement of yellow metal upon this specific account.

The Canadian government had $100,000,000 of gold in its treasury at the commencement of the year. It is reported that $15,000,000 of the government's present balances in the New York agencies of Canadian banks will be employed to supplement the $10,000,000 gold when the loan obligation comes due two weeks hence.

The importance of the Dominion as a source of gold for the United States is indicated by figures recently released through the Federal Reserve Board at Washington. The United States received $34,200,000 in gold from this country during 1920, while of the American gold exported only $5,500,000 returned to Canada, giving a net export for Canada of $28,700,000. Canada thus contributed one-fourth of the United States' net gain in gold stocks, which, for 1920, amounted to $106,800,000 against a net loss of $291,700,000 for 1919.

Mystery Gold From Canada

"Mystery gold" channelled through Canada into the United States last year. In the Federal Reserve Board's statement of gold imports into the U. S., made public June 16 last, $12,200,436 of gold was shown to have entered from Canada in the eleven days ending May 31. No one had suspected at that time that Canada was sending gold and the first conjecture was that Canada was once more shipping gold for England's account.

It has since developed that some $10,300,000 of this gold, which went over the border line from Canada, actually represented part of the gold brought to the Pacific coast from Hong Kong. It was the so-called "Kolchak gold" which was sent to America through the Dominion for British account. In all this gold flow amounted to $22,000,000, of which part arrived at San Francisco and the remaining portion at Vancouver, B.C., and was then shipped into the United States via Seattle.

Not on Trade Account

The Dominion's present decision to forward gold to cover New York indebtedness is not interpreted as indicating a government inclination to "tinker" with the Canadian dollar abroad in an effort to right the adverse trade balance which this country has rolled up in the neighboring republic. It may be accepted wholly as being the most economical method of wiping out a Canadian government debt. It is a vastly cheaper operation to ship the gold metal than to buy New York funds at their current high premium. Since the Finance Minister shipped $20,000,000 to New York fifteen months ago in a vain effort to stop the discount on our dollar from dropping lower than it then was, there has been no attempt to send bullion out of the country for this purpose.

Further gold shipments by the government were not undertaken for the reason that it was inconceivable that Canada should export her entire gold holdings. The total gold held in Canada to-day would not fully meet our immediate American trade obligation. It must therefore be left to time and the general trade evolution to adjust the Canadian dollar's New York discount.

Our Gold Holdings

After allowing for the current $10,000,000 depletion there will remain approximately $185,000,000 gold in this country, of which the eighteen chartered banks hold $85,000,000. Immediately prior to the war $92,000,000 was held by the Receiver-General and some $50,000,000 by the banks.

In the last five years, and particularly those years inclusive of the war, the gold movement out of Canada was chiefly of British origin. U. S. government statistics reveal that in the years 1915 to 1920 inclusive (fiscal year ending June 30), America received a grand total of $1,492,000,000 gold from Canada. The final British shipment was in June last, when $50,000,000 went forward from Ottawa to New York.

EXCHANGE MARKETS

Fluctuations Are Within Narrow Range—Markets Steady

Exchange markets were devoid of feature throughout the week, rates remaining steady. New York funds were slightly firmer at close, moving up from 14 1-32 to 15⅝. Sterling during the course of the week lost one-half point, and francs were slightly easier. The following are the fluctuations:

New York Funds

March 10.—Funds steady, remaining steady at 14 1-32 to 14 1-16.

March 11.—Market narrow and dull, sales at 14 1-16 and 14 1-14.

March 12.—Opening quotations, 14⅜, quotations moved to 14½.

March 14.—Sales at 14½, 14 7-16, 14½, 14 15-32 and 14½ at close.

March 15.—Markets active and firm, sales at 14½, 14⅝, 14 21-32, 14 19-32 to 14⅝ and 14 9-32 at close.

March 16.—Sales at 14¾, 14 11-16 and 14⅝.

Sterling and Francs

	Sterling		Francs	
	Demands	Cables	Demands	Cables
March 10 ..	$3.90¼	$3.91	14.01	13.99
March 11 ..	3.89¾	3.90½	14.03	14.01
March 12 ..	3.90⅛	3.90⅞	14.11	14.09
March 14 ..	3.88½	3.89¼	14.15	14.13
March 15 ..	3.98⅝	3.98⅜	14.46	14.44
March 16 ..	3.89¾	3.90½	14.21	14.19

COMMERCE

A. S. Shatford, formerly attached to the superintendent's department of the Canadian Bank of Commerce, has been appointed manager of the Dartmouth branch of the bank, succeeding A. T. Croft, who is on sick leave.

HOCHELAGA

The Daaquam, Que., sub-agency of the Banque d' Hochelega, formerly controlled by St. Camille branch has been converted into a branch under the direction of R. Clootier, pro-manager.

MERCHANTS

The Merchants Bank have purchased a site immediately opposite Stop 15, Mimico, on which they intend to erect a building.

A sub-agency has been opened at Morin Heights, Que., with service from St. Jerome.

The Merchants Bank announces the following appointments:—

W. N. Brown to be accountant at Vegreville; G. C. Burbridge, manager at Arcola; L. R. Cole, manager at Three Hills; C. D. Compton, manager at Penhold; H. Cunliffe, accountant at Czar; J. M. Delany, manager at Leader; W. Gibson, manager at Souris; R. H. Magwood, accountant at Alliance; A. E. Munson, manager at Hayter; C. S. Smith, manager at Moose Jaw.

Weekly Bank Clearings

(In comparison with same week last year.)

Eastern Cities	Mar. 10., 1921.	Change.	%
Toronto	$ 97,608,955+	$ 6,838,084	7.5
Montreal . . .	102,291,531—	16,675,586	14.0
Quebec	6,195,205+	231,180	3.8
Ottawa	7,617,152—	3,154,438	29.2
Hamilton . . .	6,013,765—	358,794	5.6
Halifax	3,812,260—	873,289	18.6
London	3,621,852—	41.446	1.1
Brantford . . .	1,031,055—	180,297	14.8
Windsor	2,730,249—	273,357	9.1
Sherbrooke . . .	1,101,164+	50,446	4.8
Kitchener . . .	1,009,807—	204.575	16.8
Peterboro' . . .	979,738+	118,912	13.8
Total East . .	$234,012,733—	$14,522,760	5.8
Moncton	1,495,014	....	...

Western Cities.	Mar. 10, 1921.	Change.	%
Winnipeg . . .	$ 40,547,506+	$ 185,461	.4
Vancouver . . .	13,364,094—	2,440,742	15.4
Calgary	6.640,958—	1,630,452	19.7
Edmonton . . .	4,636,822—	541,532	10.4
Regina	3,560,220—	259,366	6.7
Victoria	2,355,871—	274,996	10.4
Saskatoon . . .	1,846,527—	242,487	11.6
Moose Jaw . . .	1,321,687—	210,555	13.7
Fort William . .	941,336+	242,982	34.8
Brandon	680,510—	7,241	1.0
New Westminster	625,071+	36,556	6.2
Lethbridge . . .	576,421—	103,572	15.2
Medicine Hat . .	436,061+	632	.1
Prince Albert .	368,388—	127,545	25.7
Total West . .	$ 77,901,472—	$ 5,372,907	6.4
Grand Total . .	$311,914,205—	$19,895,667	5.9
Yr. to date . .	$3,354,496,066—	$162,089,919	4.6

GOVERNMENT BANKING

The persistent efforts either to inject the U.S. Government into private banking enterprise or failing that to induce the public to believe that investment in Government securities is a banking of savings, is ground for emphatic protest by every citizen interested in the future of this republic, by every person of sufficient intelligence to discern the principles of our economic system, by every banker who realizes the need for more general appreciation of the actual function of banking and the dependence of all employers and employees on the exercise of that function, according to the president of the savings bank division, American Bankers' Association, W. A. Sadd, president Chattanooga Savings Bank.

SETTLEMENT OF BACON DISPUTE

Arbitration to Fix Price—Large Amount of Money Involved

For more than a year Canadian packing houses have been disputing with the British Ministry of Food the matter of final settlement for certain quantities of bacon. After months of negotiation the matter bids fair to reach a final adjustment by arbitration before the Produce Exchange in London. The heads of the trading Canadian packing houses are sailing in the next ten days for London to be present.

It will be remembered that early in 1919 the British Ministry of Food, after having relinquished their war control of bacon, suddenly reimposed control and requisitioned, under plea of a national necessity, all stocks of bacon in England. Not content with this, however, they embarked on a buying campaign. The cost mounted quickly, so that government purchases were made at the high record mark. The price of bacon, in common with all other commodities, declined rapidly, and to add to the difficulties, the Food Ministry was flooded with large shipments and had no proper storage facilities.

The question now is to decide at what price will the Ministry reimburse the packers for the quantities of products seized in the first instance, prices at which later purchases were made being fixed before shipment are not in dispute.

MUNICIPALITIES UP IN ARMS OVER HYDRO CONTRACT

Continued from page 4.

panies that would injure the earnings of the proposed system, but it was illogical to withhold from a municipality the right to make an agreement with a publicly-owned road already in operation and whose activities could not be shown to be inimical to the proposed development of the Hydro.

Much Discontent

"I have ample reason to know," said Mr. Elson, "that there is discontent in many municipalities over the effect of these clauses, and amendments to them could be made that would not jeopardize the Hydro radial scheme, providing after the Royal Commission reports, the proposals should be carried out in part or in whole. Unless amendments are made during the present session of the Legislature, municipalities, if they vote again on radials following the Sutherland Commission's report, will have to vote upon the clauses as they now stand, because there would be no other terms provided."

When the speakers finished Premier Drury replied very briefly. He said he had invited Sir Adam Beck to come in and hear the subject discussed. His Government did not wish to be arbitrary nor to tolerate arbitrary terms. The Royal Commission, however, was investigating the whole radial question and until it reported, little of a definite nature could be said.

Beck and the Government

"Personally I think we are overstocked with railways," said the Prime Minister. Referring to Sir Adam, he said: "The chairman of the Hydro Commission is neither the victim, the slave nor the master of the Government." These remarks were met with applause. Mr. Drury asked the deputation to put their requests in writing.

Sir Adam Beck undertook to chastise some of the members of the deputation and talked at considerable length, but not without numerous interruptions and criticism. One speaker becoming impatient over the treatment and manner of Sir Adam, said: "You were not invited here, sir."

"I was invited," retorted Sir Adam heatedly, "by the Prime Minister."

"Well, we came here to interview the Government. You have spoken three-quarters of an hour, and I think it is time we got some information." A rather stormy half-hour followed, in which the chairman of the Power Commission plainly revealed his ill-humor. In fact, he made remarks that were regarded as offensive and a controversy with him carried itself out into the hall.

Sir Adam said municipalities had entered into agreements with their eyes open. The electors had passed upon the by-laws and so far as he was concerned that about settled it.

The outcome of the whole interview was that the meeting broke up grumbling and the two Kitchener dailies in their reports say the deputation returned dissatisfied.

RUSSIAN TRADE AGREEMENT IS REPORTED SIG

Soviet Accept Term British Board of Trade

PROPAGANDA TO

Practicability of Plan Doubted by Many Busin Men—Terms of Payment Unknown

Particularly significant are the
despatches advising that
through the London Board of T
has concluded a trade agreement
Soviet Russia and that Moscow
periencing a food shortage. The
tion remains, can a bargain
hungry man be depended upon?
cording to the Associated Press
the Bolshevik Government agr
discontinue red propaganda outs
Russia, a pledge so utterly at v
with the very principles of their
tical faith that, as Sir George
says, "It may be questioned if
guarantees are worth anything

That all the machinery of
the means of handling goods an
more vital question of payment
received the careful considerat
the Board of Trade, no one doubt
how any stable interflow of commerce
is to be managed under the chaotic
conditions in the realm of the la
Tsar, is a mystery admitted by
perts in trade questions.

Canada's Prospects

The text or terms of the agreement
are not yet to hand, but it will b
membered that the incorporati
the organization created by the
of Trade and Chamber of Com
to carry out the agreement,
lated, as one of its by-laws,
would be responsible for the pu
of goods in the colonies. Can
may, therefore, expect to rece
structions in due course, and
edly, if any sound method of tr
arranged, it will be of great be
Canadian farmers and manufac

British Viewpoint

Bearing in mind the extent of
British loans to Russia—$2,
000,000—and the French loans, w
are of longer standing, it is not t
wondered at that a development
Russia's trade and restoration of h
productive power is a consummati
to be wished for and speeded up.
a source of first processed raw
terial, Russia can be expected
rapidly regain quantity produ
when once her immediate neces
and equipment are supplied. W
the enormity of her crimes and
peril of her insidious propaganda
admitted, there are calmer-mi
observers who maintain that R
has reached a point where the
hand of national conditions will
pel her Government and peop
conform to the customs of the
of nations.

The hope that the agreement w
lieve British unemployment may
been a contributing power to co
the pact. On the other hand, i
been suggested that the reported
cess of the recent anti-Soviet
lion under Yudenitch may have
enced the Government to execute
agreement as a salve to British l
unrest, hoping that final and comp
success would instal a new contro
Moscow and make more probable t
operation of the agreement.

The bulk of Russian commerce has
in pre-war years, passed through t
hands of a comparatively few lar
traders. These, it is felt, may be a
to re-enter the field, and from an
timate knowledge of conditions, ev
a workable plan. There is, howe
no business machinery known wh
trade can be safely handled sa
an exchange of gold or commod
or upon the establishment of c
Inasmuch as Russia possesses no
these, Canadians would be well
vised to withhold the acceptan
Russian business till full terms of
agreement are made known and
the method has been tested out
its practicability established by
tish experience.—A. R. C.

3% ON NEW PRICE B

From Our Own Correspondent

MONTREAL.—Announcement
made on Wednesday by Price Br
the declaration of a dividend of
per cent. on the common stock
company payable on the first of A
This would represent a pay
three per cent. for the year
new stock, which was recently
into five for one, or a pay
fifteen per cent. on the basis
old stock. The regular divi
the old stock was 8 per cent.
for a couple of years past
been added a bonus of two

NEWS AND VIEWS FOR MANAGERS

ANALYZING THE STATEMENT OF THE BORROWER

An Important Feature of the Future of the Banker

THE FIXED ASSETS

Actual Value Should be Compared With Cost—Financing Seasonable and Unseasonable Stock

From Our Own Correspondent.

MONTREAL.—The analysis of an annual statement of a company from the standpoint of the banker was the subject of a lecture by David S. Kerr, chartered accountant, in connection with the Bankers' Extension Course at McGill. An intimate knowledge of actual conditions, over and above what appeared in the company's statement was essential for the banker who was desirous of safeguarding his loan to such a concern.

Some bankers were satisfied if they examined the current assets and found them good. They disregarded the fixed assets—the buildings, machinery, etc. But these must be understood. Usually they were taken in at cost—there was no such thing as selling value—but proper depreciation must be allowed.

Dealing with the borrowing of companies on the basis of their stocks, Mr. Kerr held that at certain seasonable periods when stocks on hand were larger than usual, a loan from the bank was legitimate to enable the firm to carry the heavier burden as a temporary relief; where a large stock was normal—all the year round—the banks should not be called on to finance this; that properly belonged to the shareholders.

A bank should, as a rule, disregard what was termed "goodwill" or patents, trademarks, etc. While he did not minimize the value of these they were "intangible" assets. Often when $1,000,000 of watered stock was issued it had to be balanced in the column of assets by "goodwill." In some cases a company set its goodwill down as worth $1, other companies had it listed as worth millions. It was good practice to reduce this item by a growing surplus account.

The banker should study carefully the trust deeds of the company.

Dividend Payments

In the payments of preferred dividends — or still more common dividends—the banker should see to it that company did not use up all its available cash. The "reserves" should be familiar to the banker, for depreciation, etc. Nor did a large surplus mean that a large dividend could safely be paid or was paid. Some companies paid 15 per cent. with a surplus of $40,000; others with $6,000,000 paid no dividends.

A surplus shown did not necessarily mean cash in the bank. Hence the banker should ask himself, when a dividend payment was under consideration, "Have they sufficient cash in the bank that they can spare this for dividends, without having later on to go to the bank and borrow money for something else?" In this case the bank would really be lending money for dividend payments.

"The balance sheet is not necessarily the whole story," said the lecturer. It might show large profits as at the end of December; by the middle of January heavy losses might have been incurred. Two or three weeks' time in many businesses these days had meant heavy losses, wiping out "fat" profits.

Often firms had ordered large quantities of goods, expecting that little would be delivered and large stocks were piled up. Moreover, with prices up two or three times some bankers failed to appreciate the fact that now a loan of $500,000 might give no more or less service than a loan of $250,000 on low-costing goods. Or a change in tariff might knock prices and a business out more quickly than a bank in calling loans. The greatest vigilance was required; the banker must keep in the closest touch with the detailed conditions of the business.

Nor should the profit and loss account be accepted at its face value. The banker, scanning a statement covering a certain period, should ask, is there anything special behind these profits? anything abnormal that is not likely to occur again next year? He should get full information on this point.

Above all, he should see to it as far as possible that the firm builds up a strong reserve or surplus, so that if trouble comes it may be able to weather it.

CONDITIONS IN YUKON

High Prices Are Curtailing Mining Operations

That the retail merchants in Dawson, Y.T., are keeping pretty well in touch with conditions on the outside and are reducing their prices accordingly is the opinion of a bank manager in that city who has just replied to the questionnaire sent out some weeks ago by THE FINANCIAL POST. Referring to the situation he continues:

> Due to the fact that navigation closes in October it is necessary for them to lay in a supply sufficient to last until the following July, they very seldom order more than will carry them for that period, and, as they paid the high prices prevailing last summer, they are naturally trying to get out without suffering a loss.
>
> This is entirely a gold producing area, the prevailing high prices added to the fact that gold has not increased in value are curtailing operations, and a reduction in the price of mining supplies, necessities of life, etc., will be welcomed.

FAKE IMMIGRATION "AGENTS" ARE ACTIVE

Many Foreigners Who Want to Send Money or Bring Out Friends Are Victims

In recent years, we are informed by the Inter-racial Council, thousands of newcomers from Europe have been swindled out of their savings by fake "agents" who for a sum, limited by the funds of the victim, promise to act as intermediary in bringing out relatives from the old land, or having funds transmitted to relatives on the other side. As such foreigners usually have bank accounts the following particulars of how the swindlers operate should be of interest to bank managers:

> This "agent," it is claimed, has the influence needed to get passports and have them viséd, to arrange for early sailing ahead of the thousands waiting at the ports in Europe, and to get the new arrivals safely through. He promises to perform these miracles for a fee that ranges from $250 up to $1,000, according to the amount of the victim's savings, and his anxiety to see his wife and chidren, or his parents.
>
> A similar scheme that has caused loss to thousands is the promise to send money to relatives or friends abroad. Unauthorized and irresponsible agents collect money from working people, who are suffering from anxiety over the fate of their people separated from them during the war, and usually it is not delivered, or at best the full value is not given, but a much smaller sum.
>
> When the victim tries to recover his money, which seldom happens, he is lucky to get back a fraction of the amount, as various excuses are given for retaining it.

Experience has shown that in a field with a foreign community the bank which gives service in regard to such matters soon has a strong following. There is no better advertising medium with these people so effective as a friendly customer who talks.—J. W. T.

GAIN OF ELEVEN BRANCHES FEBRUARY

Fifteen Branches Opened and Four Closed During Month

During the month of February the Canadian chartered banks opened only 15 new branches, four of these being sub-branches, while the number of branches closed during the month was four, which makes a net gain of eleven new branches. Three of the branches were opened by the Merchants; two each by the Hochelaga, Nationale and Provincial, and one each by the Hamilton, Home, Imperial, Nova Scotia, Sterling and Toronto.

The branches closed were by the Commerce, Hamilton, Merchants and Molsons. Folowing is a list of the branches opened and closed:

OPENED

Hamilton—King and Sanford, Hamilton.
Hochelaga—Bedford, P.Q.; Lyster, P.Q.
Home—Mount Royal and St. Lawrence Blvd., Montreal.
Imperial—St. Vital, Man.
Merchants—Johnville, Que. (sub to Sherbrooke); Gwyne, Alta. (sub to Wetaskiwin); Victoria Chinese branch, Government St.
Nationale—Bedford, Que.; St. Maurice, Champlain, Que.
Nova Scotia—Toronto, Avenue Road and St. Clair.
Provincial — Mont-Rolland (sub to St. Agathe des Monts, Que:; Pointe-a-Calumet (sub to St. Eustache, Que.)
Sterling—Whitney, Ont.
Toronto—Hamilton, Arcade branch.

CLOSED

Commerce—Paswegin, Sask.
Hamilton—Coderre, Sask.
Merchants—Adanac, Alta. (sub to Unity).
Molsons—Arrowhead, B.C. (sub agency).

For the first two months of the year the branches opened totalled thirty-nine and the branches closed eighteen.

Sauerbeck's index number of British commodity prices declined 14.2 points in February to 183, against high record of 266.1 April, 1920. All groups participated in February decline.

BANKS WORK ON A NARROW MARGIN

Reduced Turnover Means That Managers Must Watch Details Closely

There has never been a time in which there has been a greater responsibility on the bank manager to closely check returns and expenses in his branch. General rates for bank services to customers have not been advanced. Costs have gone up in every direction. Enlarged turnover has enabled the banks to make substantial profits on a narrow margin. Now the turn has been reached. Current loans are contracting and the "turnover" of the banks is thereby reduced. Opinion in banking circles is that no general reduction of salaries can be made—nor is one contemplated from anything I can learn—under conditions prevailing and reduced costs in proportion to lower earnings must, therefore, be effected in other directions if they are to be made.

It is here that the manager becomes an important factor. The bank while competing closely for business is not anxious to secure accounts which do not show either an immediate or potential margin of profit. Small balances and frequent checks do not make a satisfactory combination in these days of high operating costs. Then there is the matter of supplies. Costs of stationery and some other supplies should now come down, but there will be no material saving without careful checking-up by the manager.

On this question of bank charges and service rendered Assistant General Manager Phipps of the Imperial Bank is quoted as follows in the initial number of the bank's house organ, the Link:

> "In spite of the cost of everything else having risen there is no increase in the charges made by banks to their customers, notwithstanding the very great additional expense which has been imposed on the banks by reason of the high cost of everything. It is true that there has been some effort recently to raise rates 1-2 of 1 per cent. here and there owing to tightness of money, but it cannot be said there has been any real increase in interest rates, which are ruling far below those in the United States. Apart from increased turnover, the only source from which we can look for increased earnings is minor profits. This question is one that has always interested the executive officers of the banks, but in many instances has not been of much interest to branch managers, and a cursory examination of some of our branches during the early part of last year indicated that in many instances a great deal of work which should properly have been paid for was being done for nothing. The excuse is usually 'competition.' Head office officials know the managers who can be depended upon to obtain proper rates of exchange and satisfactory remuneration for services rendered, and, unfortunately, others who never seem to be able to do so, but meet arguments with the excuse that 'the customers will not pay,' and that 'the bank across the street will do it for nothing.' The question of collecting minor profits depends in the majority of cases on the character of the manager."

Another point for the manager to consider is increasing the efficiency of his staff. In other words to so organize the work of his branch that present salaries will produce the best showing in work accomplished. This does not mean over-working the staff by any means. Results usually show that with proper facilities and time-saving equipment the clerk doing the most actual work is usually the most contented.

WIRELESS BANKING

Extensive Installation Completed in Amsterdam

A further development in the progress of Marconi wireless is reported from London, England. Under an arrangement with a Dutch concern—the Nederlandsche Seintoestellen Fabriek—the English Marconi Company has installed one of its latest types of wireless telephone transmitters in the stock exchange, Amsterdam, and has also equipped, with Marconi wireless receivers, some fifty bankers' offices throughout Holland. By means of this system, exchange reports are promptly transmitted to the principal Dutch banks. The service has been in operation only for a short period, but reports from the bankers concerned indicate that it is entirely successful and arrangements are now being made for its extension to many of the other banks not now included in the "wireless" network.

ADDING MACHINE CONTEST

By listing correctly 200 checks in three minutes, thirty-nine and two-fifth seconds, Elmer A. Doland, of 238 Goodwin Avenue, Midland Park, N.J., won the semi-annual adding machine contest of the National Bank of Commerce in New York.

The Most Attractive Investment Offering on the Market To-day

Yielding 8.25% With Perfect Safety

We feel that Canada Steamship Lines First Mortgage Bonds are the most attractive investment offered to-day. The net earnings for the past five years, including 1920, have averaged over four million dollars per year, or, approximately, three times the amount of the entire outstanding bond issue of $7,120,506.66. The bond interest averages less than $360,000 per annum, making the net earnings over eleven times the amount required for the bond interest.

The bulk of the Company's profits are derived from Great Lakes traffic, rates for which are not affected by depressions in ocean rates. The Company's fixed assets at the end of 1919 totalled over $44,500,000, and included real estate, vessels, docks and wharves to the value of $32,000,000, which is enough, by many times over, to take care of the entire bond issue.

Commencing in 1915, a sinking fund of 1½% per annum has been in operation, to be applied in the purchase of bonds in the open market, at any price less than 105 and accrued interest. The recent inauguration of a more conservative dividend policy places these securities in an even stronger position than they have occupied heretofore.

These bonds are redeemable at 105 at maturity, which makes the yield better than 8¼% on the investment.

Canada Steamship Lines

First Mortgage 5% Bonds, Redeemable at 105 in 1943

The Bonds come in $100, $500 and $1,000 denominations

We Own and Offer, subject to Prior Sale, $50,000 of these Bonds in lots to suit, at 68½ and accrued interest. Terms Cash, or 20 per cent. cash and 10 per cent. monthly.

These bonds are a thoroughly well seasoned security and are positively cheap at this price—the normal price of these bonds ruled well over 80.

Wire, Write or Phone Your Requirements

Truax, Higgins Company
Investment Bankers
17 St. John St. Main 3618
Montreal

George Ham says "Good-Bye"

A STRIKING and affectionate farewell is bade by Col. George H. Ham in the March 15th issue of MACLEAN'S MAGAZINE, to his thousands of friends, as well as to other readers who may know him only by hearsay, who have been following his reminiscences in Canada's National Magazine since last August.

"The Curtain is Rolled Down, for seventy-three years makes a long act," says George. "Recalling three score and ten of these years has been a pleasant though difficult task; thirty-three of them have been spent in the service of the C.P.R., and one cannot but realize that the corridors of the Company's office will not long be trodden by the older ones of this generation and that some of us perhaps will soon not even be a memory."

"There Were Giants in Those Days"

The concluding instalment of this remarkable, all-Canadian feature, is the biggest and best of the lot—and here is the proof: There are seven full magazine pages, chock full of stories of those amazing days when the C.P.R. was conceived and constructed; human, hitherto unpublished details of the lives and careers of those three veteran founders, and, later, presidents of our first transcontinental: **Lord Mount Stephen**, the late **Sir William Van Horne**, and **Baron Shaughnessy, K.C.V.O.** And funny stories! Well, just read about Baron Shaughnessy's racing experiences; the pranks George Ham and William Stitt used to play on each other; Fred Cook's "German Band," and countless other incidents that could only be retained in such a mind—and heart—as that possessed by Canada's grand old raconteur.

Big Features of Fiction and Fact

"Personality, Plus"—By Guy Morton.
A fascinating story about an advertising agency man who put across a trick to close a contract—and then gave the whole game away.

"Lenix Fools the Jinx"—By Archie P. McKishnie.
Another of those deliciously droll Lenix Ballister negro stories, in which more than the usual number of comic and absurd scenes are depicted.

"Pawned"—By Frank L. Packard.
The third instalment of this masterful serial goes a long way to show how the triple regeneration is going to be effected.

"Broadway to Brussels"—By C. C. Jenkins.
The story of the rise of J. H. Gundy, a shy youngster, who developed into one of Canada's most brilliant orators and a leading financier.

"Little Bundles of Pluck"—By Agnes C. Laut.
In this, Miss Laut tells w[illegible] graphic pen the story of some of the war brides who are making good out on the lonely prairies, where they and their husbands have been located by the S.S.B.

"A Woman Would Know ——"—By Charles G. Booth.
This whole gripping story centres around the possession of a wee bundle of humanity, cursed with a dope-fiend father. There is plenty of love interest, too.

"Those Who Stood in Darkness"—By J. L. Rutledge.
A symposium giving the opinions of a number of Ministers of various denominations on some of the doubts which have arisen in this war aftermath, in the minds of many Christians—and others. An Easter Message.

Review of Reviews

"What Does Future Hold for Mankind?"	H. G. Wells
"The World's New Leaders."	Sir Philip Gibbs
"Labor Espionage in the U.S."	Sydney Howard
"Bismarck's Account of Dismissal."	Neue Zuricher Zeitung
"Ireland, the Enemy?"	Harold Cox
"Devil Duval's Treasure."	Chambers's Journal
"A Winged Torpedo Boat."	"Tin-Fish"
"How Van Horne Rose."	Walter Vaughan
"Criminal Tribes of India."	London "Times"
"Salvaging Submarine Victims."	Stuart Martin
"Greece's Great Renunciation."	Pierre de Lacretelle
"Labor Must be Partner."	George A. Greenwood
"Common-Sense Bridge."	Manning Foster

MARCH 15th ISSUE On All News-stands 20c

MACLEAN'S
"CANADA'S NATIONAL MAGAZINE"

THE FINANCIAL POST

Members of the Audit Bureau of Circulation.

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Vice-President - - - - - HORACE T. HUNTER
Manager - - - - - - GORDON RUTLEDGE
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No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisement."

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TORONTO, MARCH 18, 1921

THE RESPONSIBILITY OF DIRECTORS

THE time has come when shareholders expect directors or others who may assume to be the special mouthpieces on the immediate conditions of corporations to refrain from inflated remarks. In one or two cases of late the stock market has seemed to inspire the text and content of the roseate discourse. Such tactics can only damage the security eventually; for the truth emerges readily these days.

In contrast to these instances may be cited the honest statements of those associated with Canada Cement Company and Penmans Limited, to take only two notable instances of the kind. The truth in neither case was particularly palatable, but it had at least the virtue of being truth, and the shock was not severe. Over-statement on the optimistic side, or an attempt at the concealment of actual conditions, where it becomes revealed, is certain to lead to conclusions on the part of investors that may do the company an injustice on the unfavorable side. It rarely fools anyone long, and only discredits those who are responsible.

THE GOVERNMENT AND RAILROAD WAGES

NO better opportunity could be afforded the Dominion Government than the present to prove the truth of its claim that the Government railways are to be operated as a business enterprise, independent of political interference. That strong pressure will be brought to bear to lessen in some respects the inevitable cut in wages on Canadian roads, following the example of the United States roads, may be taken for granted. The labor men would be hardly human if they foreswore such an effort aimed at those who in the past have proved so susceptible to requests backed up by large bodies of voters. Public opinion should demand that the Government allow its managing railway board a free hand to deal with the situation as an ordinary industrial one.

There are not wanting grounds for the gentle suspicion that political aspirations had something to do with some of the rules and regulations of the McAdoo awards, amendments and supplements that have proved so irksome and costly to efficient railway operation. All the more reason, then, that the question of wages, and the rules and regulations incident to the coming changes in the old awards, should be settled on the basis of a business administration of the railways of Canada under Government operation. This would very soon render the deficit crisis less acute, if anything will, and make possible a gradual decline in freight and passenger rates in this country.

It is doubtful if there is any greater factor in the industrial depression in America to-day than high freight rates. The cumulative effect of transportation charges on raw materials through all the stages of manufacture until the consumer is reached, with increasing wages for labor in various industries all along the line, is tremendous. Readjustment must proceed until production costs are brought to a basis where buying power will create a normal demand. Until this condition is reached the problem of unemployment will not be solved.

MURRAY SCHEME IN THE COMMONS

THAT the consequences of the ill-conceived policy of G. M. Murray in attempting to dictate the policy of the Canadian press by the use of the bludgeon of advertising patronage are being visited upon the members of the Canadian Manufacturers' Association and Canadian manufacturers in general has again been indicated in the debate on the speech from the throne in the House of Commons. There as by the newspapers of Western Canada the close connection of Murray and the C.M.A. was emphasized. The short-sightedness of the officers of the association in failing to immediately repudiate both Murray and his campaign was once more made obvious.

The Regina Leader was quoted extensively in the Commons and the following passages illustrate how the Murray scheme is being capitalized for political purposes against the manufacturers and the protective tariff:

> Gilbert Mackintosh Murray, B.A., former editor of "Industrial Canada," for many years secretary of the Canadian Manufacturers' Association and who evolved the brilliant scheme of forcing the press of Canada to support Protection and a Protectionist Government through the distribution of advertising patronage, is, needless to say, persona grata with Hon. Jas. Calder, Hon. Dr. Reid, and other influential cogs in the government machine at Ottawa.
>
> Prior to resigning the secretaryship of the Canadian Manufacturers' Association, Murray resided for the first six months of 1919 at Ottawa. During this period his services were supposed to be "loaned" to the Government; his salary, however, was paid by the C. M. A., the Government giving him at the same time a per diem living allowance of $10.
>
> It was right following upon this Ottawa sojourn of Murray's with all the inspiration of close contact with ministers of the Crown fresh upon him, that Murray, in the role of chief propagandist for the Meighen-Protectionists, launched his great scheme for making the press of Canada solidly Protectionist by getting the manufacturers to withhold their advertising from such papers as the Toronto Globe, The Morning Leader, the Saskatoon Phoenix, etc., etc.

Several pages of Hansard are devoted to the recording of Murray's activities as evidence of the insidious campaign of protectionists to maintain the tariff and they are followed by the statement of J. Fred Johnston, member for Last Mountain, who, speaking from the cross benches, declared that such tactics indicated the "lengths those in this country who derive benefit from protection will go to retain that benefit."

Canadian manufacturers have done and are doing great things in the development of the country. Protection has enabled the development of our natural resources, the establishment of a broad demand for labor and a home market for agricultural products by fostering industry. Publicity of the actual facts would go far to bring about a better understanding between the manufacturers, the farmers and the workers. But instead of an effort at education we have this Murray scheme to throttle the expression of opinion. It is turning out to be nothing but a boomerang as was predicted by all who had any understanding of the underlying principles of journalism and the psychology of public opinion.

HYDRO POWER FOR THE FARMERS

THE report of the special committee of the Ontario Legislature recommending a surcharge on Hydro power used in industrial centres for the purpose of aiding the development of rural services continues to create considerable discussion. The question is a complicated one, but if the water powers belonging to the province as a whole are developed on the credit of the province as a whole then all the people of Ontario have a right to consider that they should benefit. If the Hydro was paying taxes and rentals and in addition making a charge for service which would permit a margin of profit for the provincial treasury to benefit the whole province it would be different. In lieu of this there is a strong argument in favor of the recommendation of the committee.

In addition there is the very important question of the development of the agricultural resources of the province but to the extent to which this can successfully be carried by charging higher rates in the towns and cities is a question which should be very carefully studied. Premier Drury is undoubtedly right when he states that the $2.00 per horse power suggested by the special committee is too high. The manufacturers should be represented in any investigation of this matter and THE FINANCIAL POST believes that they will be ready to favor any concessions which will benefit farm development without endangering the success of the manufacturing industries, which in the interests of the whole community must always dominate in any consideration of the power question.

EDITORIAL NOTES

WHEN Sir Philip Gibbs states that ninety-five per cent. of the people of the United States are friendly to Great Britain he reiterates the conviction of all level-headed Canadians.

* * *

THE Toronto Globe cartoonist, Sam Hunter, depicts the government railway system as a cow, which will have to be turned into "sane economy" pasture. One cannot avoid the thought, however, that the cow can be milked and that many politicians are pretty good milkers.

* * *

THE service-at-cost basis is now being suggested by the Ontario Railway and Municipal Board in connection with the London street railway. This proposal from such a source should receive fair consideration. Coming from the company itself it would at once be condemned by the public ownership following.

* * *

A PRESS report from Whitby, Ontario, states that many farms are changing hands and some of them at "surprisingly high figures." Farm values have a direct relationship to income and profit and this evidence of confidence in the future prosperity of agriculture is reassuring in view of the recent readjustment in the market values of farm products.

* * *

THE FACT that wheat prices have declined less than for other commodities, with the exception of steel for which values are now being adjusted, is pointed out by Hayden, Stone & Co., New York. No one fact could be of more importance in relation to business conditions in Canada. It is the price obtained for the exportable surplus of a country's products that counts.

* * *

"COMRADE" ROBERTS who is described as a "working class" philosopher has returned to Canada after visiting the capitals of Old Europe and has applied to the Toronto relief committee for assistance. He boasts that he started on his journey with as little as he brought back. And this man is one of those who would lead the people into a social revolution. It would be a fine world if we all tried to live as "Comrade" Roberts does.

* * *

ACCORDING to the Grain Growers' Guide, Sir Vincent Meredith at the annual meeting of the shareholders of the Bank of Montreal "said nothing about manufactures" but that "it is the basic and other great natural resources that must be developed if the country is to prosper." Does the Guide wish to convey the impression that either its editor or Sir Vincent would suggest development of our natural resources without manufacturing?

* * *

THE DEBATE on the question of the British embargo against the importation of Canadian cattle in the House of Commons was introduced by William Smith, South Ontario, one of the leading stock men in Canada. Mr. Smith, of course, as a stock exporter objects to the "foot and mouth" disease excuse for the embargo but at the same time he appreciates that it is to the advantage of the Canadian stock raiser to have our cattle fattened and slaughtered on this side. And Mr. Smith thinks of the interests of stock raisers first rather than of the packing industry with its many subsidiaries in manufacturing by-products, and the employment of Canadian capital and labor, etc.

Aeroplane and Flying Boat to Open up the Great North

Air Route Solves the Great Difficulties of Transportation to Reach the Oil Lands of the Mackenzie Basin

By AGNES C. LAUT.

Ever since Selwyn's reports in the '70's, and Dr. Dawson's in the '80's, and McConnell's in the '90's, everyone who has wanted to know has known that between the Saskatchewan and the head-waters of the Yukon was an area rich in precious minerals, in coppers, in anthracites, in oils as the Transval is in gold and diamonds, or Mexico in oils, or Arizona in coppers.

But except in the case of the Yukon we don't seem to get the riches out. Last year an oil gusher was struck in the far north. A prospector came out with wonderful specimens of placer gold. Oil prospectors and gold prospectors have literally flocked into that north country. But as yet somehow capital has not followed up with a reconnaissance on the scale which would seem to be warranted by conditions.

Why?

Arctic cold is not as hard a proposition to tackle as a disease-infested tropical jungle. And oil is developed in the jungles of Mexico.

Transportation Problem

The answer is purely a question of distance and inadequate transportation. It takes three months by fur traders' steamers to go down to the Arctic Circle and come out. It takes three months to get your prospective investor in and out again. Once he proves the wealth, which the geologist reports, railroads and faster steamboat service will follow as they followed in Alaska and Yukon. The thing is how to get your capitalist in and out quickly, when his minutes are worth, not dollars, but hundreds of dollars?

When I "flew" over the mountains of Smoky and Peace River and landed on the narrow shingly beach of the Peace, I was met by Sheridan Lawrence, one of the first men to develop the agricultural resources of Ft. Vermilion on the Peace; and Mr. Adair, one of the big farmers of Grand Prairie.

"I would not have missed seeing you do this for a thousand dollars," said the latter. "It solves the whole thing that has held us back for forty years. If you can cross-cut detours round these mountains and up great sweeps and save time in great curves in these northern rivers, and do in an hour and a half what would have taken you a week by train, or twenty days by motor car, we've got the key that will at last unlock the wealth of the north. Was it safe?"

Let me answer that question with an unequivocal "Yes" and explain.

Air Experiences

I was in Jasper when the American aviators on the way to Nome landed there. It was not a good landing. It was not uniform. "The birds" came in scattered and far apart. I was also in Prince George, when one of the aviators might have lost his life in the bad landing. His machine, in a circumscribed landing area, struck a stump. I was at another point in northern British Columbia, when the landing was distinctly bad. Though the trip to and from Nome was considered a success as a mail venture, it was not considered a success as a commercial venture. What the on-looking, breathlessly waiting north was asking was—Shall we be able to use planes to traverse quickly the immense distances of the north, not only for mail, but for express purposes? Suppose a man wants to go into the Liard, by canoe it is three months to get word in and out. You can't open placers, or develop oils at that pace. The north seemed locked up indefinitely—landing places too dangerous in heavily timbered steep mountains. The north's heart sank as it watched the records to and from Nome. And I agreed with the feeling as I watched the flight and motored through bush roads over the mountain, where we had to walk up a grade as at Peace Landing, because in spite of brakes and no weight in rear seat, the car began to slide to the edge of a precipice and all that kept her from backing over was the shove of eight strong men and rocks under the hind wheel. That is—until I took "a fly" over the mountains myself, when I reversed every decision I had made on terra firma.

How in the world was one to get space to land on steep forested mountains at an angle of 45, where the spiked heavy timbers tear your leggings to pieces on horseback, and the soft bog of an unseen spring sucks your horse's legs into a bottomless muskeg of moss and black loam?

When you look at an aeroplane up 2,500 feet to 6,000 feet you see what looks like a huge hawk dropping a hum of great wings down to your ears. What if the hawk were going through clouds with peaks and forests on each side? What if the engine began skipping beats just then and you had to come down?

But from the plane above the situation is not so dangerous as it looks on land below. To begin with, when you are on the ground you are looking up through a dense atmosphere. When you are high up you are looking down through a rare clear atmosphere and you see the most minute objects on the ground so clearly you can discern upturned faces, a scared hen leading her chickens away from the shadow of the humming hawk, on whose back you ride the cows galloping, in fright at the shadow, the horses quite stolid and undisturbed by it.

A Place to Land

For every mile you are up you can slide down eight miles. That gives you a radius for landing of over sixty-four square miles. Now you may be among heavy timbers on the ground past which you cannot see the length of your horse; but overhead you can clearly see for many miles where those timbers are broken by patches of park, open prairie, rivers, sloughs, lakes.

As to clouds, when you are in them, they cut off view; but if you go high enough above them, like a woman with a veil, you can see through them, or past the edges to open ground below. The only place where I considered there was danger was where we had to come down through the low lying banks of clouds to land on a narrow strip of shingle at Peace River. There, not to careen into the timbered mountain slopes, we had to circle directly above the river in spirals, gradually slowing to hit the narrow shingle beach just at the moment we would gradually bump to a stop, and not bounce over the shingle into the water; (for if the engine went dead above the water and you fell, you are strapped to the seat and the weight of a 90 h.p. engine would quickly sink the "bird"). Fortunately, I had for pilot an expert aviator, Captain May, who defeated the famous German, Richthofen, and he calculated our landing so carefully we came to a stop with less of a bump than behind a driving horse, or a motor. When I say I did not even have to right my Panama hat, women will know what that means; for I never saw a woman step out of an open motor and not immediately straighten her hat. As for cold, though we had to thaw ice off the engine to get started, my feet were down against the engine and I was warmer than driving behind a horse, or in a motor car.

Flying Boats Safe

But go back to that danger of landing above the water amid peaks and clouds. If your engine went dead there, and you had to come down, you might be drowned. You would, indeed, if you were in an aeroplane; but what if you were in one of the flying boats covered over like a great whale, built to carry fifteen passengers? You would spank down on the water with a bounce and be safe as a sea gull; for the flying boat can land in the space of a war vessel's deck width.

Now, for every mile you are up you can choose a landing in an area of sixty-four miles to slide down; and **the point favoring the flying boat for northern transportation is—there is no area of sixty-four square miles, where there are not lakes, rivers, sloughs, ponds galore, glittering below you clear as blue or silver sheen; and with a flying boat you could "land" on water safe as in a rocking chair.**

That is what the northerner meant when he said, "I would not have missed seeing you do this for a thousand dollars. **It solves the whole thing. At last we have the key to unlock the north. The flying boat will do the trick.**"

Expense and Time

As to saving in expense and time it makes you gasp. I did 165 miles in one hour-and-a-half in perfect comfort, so evenly that I could have written on my lap. And in doing it I cross-cut a country road which would have taken a railroad a week; for the railroad has to curve round mountains; and which would have taken a canoe twenty days; for the canoe has to follow the great curves of rivers and has to portage [illegible] and bad rapids.

It would take three months to go to the Arctic Circle by trader's steamer. **It would take six days to go in and out by a flying boat, which could carry provisions for the entire trip. Gasoline would have to be taken in by steamer a month ahead. So I look to see a reconnoissance of Canada's northern wealth such as has never before been made; and I would not be afraid to wager the world's next Transvaal will be unlocked in a few years.**

PERSONALS

LT.-COL. D. H. MACLAREN, who has been elected to the board of directors of the Chartered Trust and Executor Company, is one of Simcoe County's best known business men. During the war he raised and commanded the 157th Battalion. He was at one time a large scale lumber merchant, and also operated a retail store at Barrie. He is now sheriff of the county.

N. C. URQUHART, of the newly organized firm of N. C. Urquhart & Co., mining brokers, of Toronto, has been elected a member of the Standard Stock and Mining Exchange. He was associated with J. A. McCausland & Co. for the past nine years, and previous to that was with the firm of Smiley, Stanley & McCausland for four years. The new firm will conduct its business from the offices formerly occupied by McCausland & Co., at 10-12 King Street East.

CURRENT OPINION

THE LAWS OF SOUND BANKING

Commercial West

Vere C. Brown, then the superintendent of the Canadian Bank of Commerce, but now one of the executive officers of the National City Bank in New York, in the course of his remarks at a banquet in Winnipeg, said that a bank was understood to be a tall angular building entirely surrounded by restrictions.

Mr. Brown also remarked that a bank had been described as an institution which took in funds at three per cent. and loaned them out at 10 per cent. The spread between three per cent. and 10 per cent. was described as high finance.

The Manitoba Free Press says that Mr. Brown was commonly regarded in Winnipeg as an extremely able protagonist of the banking institutions, and of the big interests generally, and as one on whom it was desirable for the Farmers' Party to keep a close eye. Mr. Brown, however, always professed that he was ready at all times to lay all his cards on the table to reveal every fact with reference to the bank, to defend its statement of earnings as fair and reasonable, and to deal fairly with every complaint which was made.

Mr. Brown was accustomed to make another statement or series of statements, says The Free Press, which are admittedly of importance. He called attention to the fact that the fundamental laws of finance were not made by the banks. They were not, in fact, made by any one. They were discovered. They are natural and immutable laws. They are the laws of sound banking, and the laws of true finance. These laws must be obeyed, and whenever they have been departed from trouble has followed. It is not desirable to depart too rapidly or too far from the lines of established and tried financial practices.

EAST AND WEST

Winnipeg Tribune

In the genial rivalry that exists between East and West new grounds of comparison and occasional disparagement are continually cropping up. Thus we learn on Saturday that of money lent to rural credits societies in the West during 1918, $20,000 is still outstanding, and of money lent in 1919, $205,000 is outstanding.

These appalling sums are represented by some as reflecting upon the credit resources and moral standing of the people of the West, and there is a type to whom this reflection seemingly gives a gentle satisfaction. Stranger still, there are those in whom such an allegation stirs resentment.

The true deduction is that there is not a very marked atmosphere of good will between the rural credit societies and certain financial institutions. Without any desire to pry into the business or methods of the banks, the surmise may be risked that they have other customers whom they carry for larger sums for longer periods, upon much less adequate securities.

BOOKS RECEIVED

"RELIGION AND BUSINESS"

That the business man of to-day is not to be satisfied with a promissory note to be paid sixty days after the world comes to an end, is the reason the churches fail to interest more deeply the man of to-day, says Roger W. Babson, president of the Babson Statistical Organization, in his book, "Religion and Business," published by the Macmillan Co.

He goes on to state that the tenets of Christianity are in no way at fault, but that its principles may be taken as the basis of "good business" to immeasurable advantage. In fact, he postulates, it is impossible for a man to succeed at all without religion, in the broadest sense of the term.

Mr. Babson is not entirely iconoclastic in his treatment of the question of the church, but expresses his suggestions as to how the church may be brought into closer sympathy and co-operation with every day problems.

"Faith," he claims, "is our greatest of undeveloped resources."

The book is written in direct-from-the-shoulder style and achieves a goal of at least causing its reader to think even if only to criticize.

To business men and leaders of the church, "Religion and Business" cannot fail to demonstrate the mutual benefits to be derived by the incorporation of religious principles into business and the efficiency of industrial [illegible] into the churches.—A. G. C.

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CITY OF TORONTO
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Net Debenture Debt 46,800,228
Value of Municipality's Assets 105,415,063

Amount	Due 1st March	Price	Yield
$25,000	1928	100 and Interest	6.00%
$25,000	1929	100 and Interest	6.00%
$25,000	1930	100 and Interest	6.00%
$25,000	1931	100 and Interest	6.00%
$25,000	1932	100 and Interest	6.00%
$25,000	1933	100 and Interest	6.00%
$25,000	1934	100 and Interest	6.00%
$25,000	1935	100 and Interest	6.00%
$25,000	1936	100 and Interest	6.00%
$25,000	1937	100 and Interest	6.00%
$25,000	1938	100 and Interest	6.00%
$25,000	1939	100 and Interest	6.00%

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

MOUNT ROYAL HOTEL

F. B., Niagara Falls, Ont.—Please advise me with regard to Mount Royal Hotel Company convertible debentures as to safety and earning power.

While these are issued as debentures (bonds) they must be converted into preferred stock by July, 1923, so that as an investment they must rank really as a preferred stock. As such, and considering that the enterprise is a new one, there can be no guarantee carried by this issue as a "safe" investment such as government, provincial and municipal bonds and many bond issues of industrial concerns could be regarded. With the well-known ability of the United Hotels Company behind it as managers it looks like a pretty fair speculative investment.

KIRK GOLD MINES

E. J., St. Catharines.—Would like your opinion of the Kirk Gold Mines.

We find that this company has not as yet started mining operations upon its Algoma property. Such exploration work as has been carried on has shown very satisfactory results, and we understand that the company is considering the installation of a plant, perhaps later in the present year, when it will undertake active operations. It is apparent that this company has a rather favorable proposition, but as in the case of every mining stock at the outset, this cannot be regarded in any other light at the moment than as a gamble, with a fair prospect that the purchaser of the company's stock will eventually realize upon his investment. Unless you can afford to take a big chance, however, we would strongly urge you to leave this stock alone.

RSC
INVESTMENT · SERVICE

Why New Money For Pulp and Paper Companies?

In the current number of *Investment Items* convincing reasons are given why the fundamental soundness of the Canadian pulp and paper industry warrants the investment of new capital.

Every holder of industrial securities of any description should read *Investment Items* each month, and this edition in particular.

A letter will add your name to our mailing list.

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STEEL OF CANADA

Inquirer, Guelph.—Being the owner of some Steel of Canada common stock bought at around 74 I shall be obliged if you will give me your opinion as to the chances of the dividend on the common being continued. Do you advise selling now or holding?

The Steel Company of Canada is in a sound position, efficiently managed, and until comparatively recently had a large volume of orders on hand. The company is feeling the effects of the depression in the steel industry, but we believe that this condition should be relieved in the future, and there is reasonable assurance that the dividend on the common will be continued. We would not care to advise you to sell your holdings at present levels, believing that conditions will eventually improve although there is an unsettled period ahead.

GERMAN MARKS

O. N., Vancouver Island.—Would you kindly give me your opinion on the following: I made the following transaction with a bond house in Vancouver, exchanging 36,000 marks in currency for Berlin 4s at the rate of marks for marks. This was on February 11th. When I received the bonds I found that the coupons for payment on March 1, had all been cut off. Had the bond house the right to do this or not?

Unless the terms of the sale to you of the 36,000 German marks you purchased from a Vancouver investment house expressly stipulated that you were not entitled to interest coupons becoming payable on March 1, you probably have a right to demand the amount represented by the coupons from your broker.

Bonds are usually sold at a certain price and accrued interest; that is, the purchaser pays in addition to the quoted price that share of interest already earned by the bonds. In your case, assuming the coupons matured every three months, you would have paid two months and eleven days' interest, which would be refunded to you when you collected the March 1 coupon.

ROTARY BRICK MACHINE

Inquirer, Timmins.—I shall be obliged if you will furnish me with what information you can as to the Rotary Brick Machine Co. of Canada, Toronto.

The Rotary Brick Machine Company of Canada has been incorporated for the purpose of manufacturing a machine invented by the founders of the company. It is the company's intention to manufacture about 50 or 60 machines, which will be loaned out to any firm or company wishing to manufacture bricks. The capacity of the machine is 60,000 per day. At present a model machine is being prepared and constructed, on completion of which the company will be ready to have its product manufactured in local foundries. At the present time W. Pruszynski, secretary-treasurer and general manager, is out on the road selling stock. We are not in a position to certify to the company's worth. Those associated with this enterprise appear to be favorably regarded in business circles.

FRENCH BONDS

J. H. K., Alberta.—I enclose herewith French security which I purchased as being a French Government bond for 1,000 fr. redeemable in 1931, and bearing 5 per cent. interest yearly. Please advise whether the coupons are complete on this paper as they seem to be only available up to November, 1924. Should there not be coupons for the years after 1924 up to 1931; and should there not be some kind of indication on this paper that the same is an obligation of the French Government in the amount of 1,000 fr.?

When you have cashed the last coupon on your bond you should return it to the French Government, either directly or through the broker from whom you purchased the bond and you will receive a new certificate with coupons added to carry it for another few years.

Probably the reason that there is no statement on the bond to the effect that it is an obligation of the French Government is that you have purchased a French rente, which is somewhat different from an ordinary bond. The certificate states that the bearer is entitled to an income of 50 francs a year, not that the Government will on any certain date pay the bearer the sum of 1,000 francs together with interest at 5 per cent. in the interval. French rentes are more in the nature of annuities than bonds. Many of them are perpetual, and have no maturity date, while others—particularly those issued during the war—can be redeemed by the Government. Yours will probably be redeemed in 1931, or shortly after, when the Government may make further issues at the then prevailing rates of interest. The perpetual rentes are more in the nature of the capital stock for the nation than bonded obligations. The French Government is still paying interest on debts incurred 500 years ago, when the era of wars between England and France was beginning to get under way.

EDMONTON BONDS

A. G. L., Maine.—About a year ago we purchased quite a large block of the special debentures 5½, authorized by law, City of Edmonton, number 26-1919, due October 1, 1929, the interest and principal of which are payable at par in New York. We inquired in New York regarding the price of these and find they are selling about six points below the bonds of other cities of Canada due about the same time. We shall be obliged if you will advise if there is any trouble with the security behind this issue.

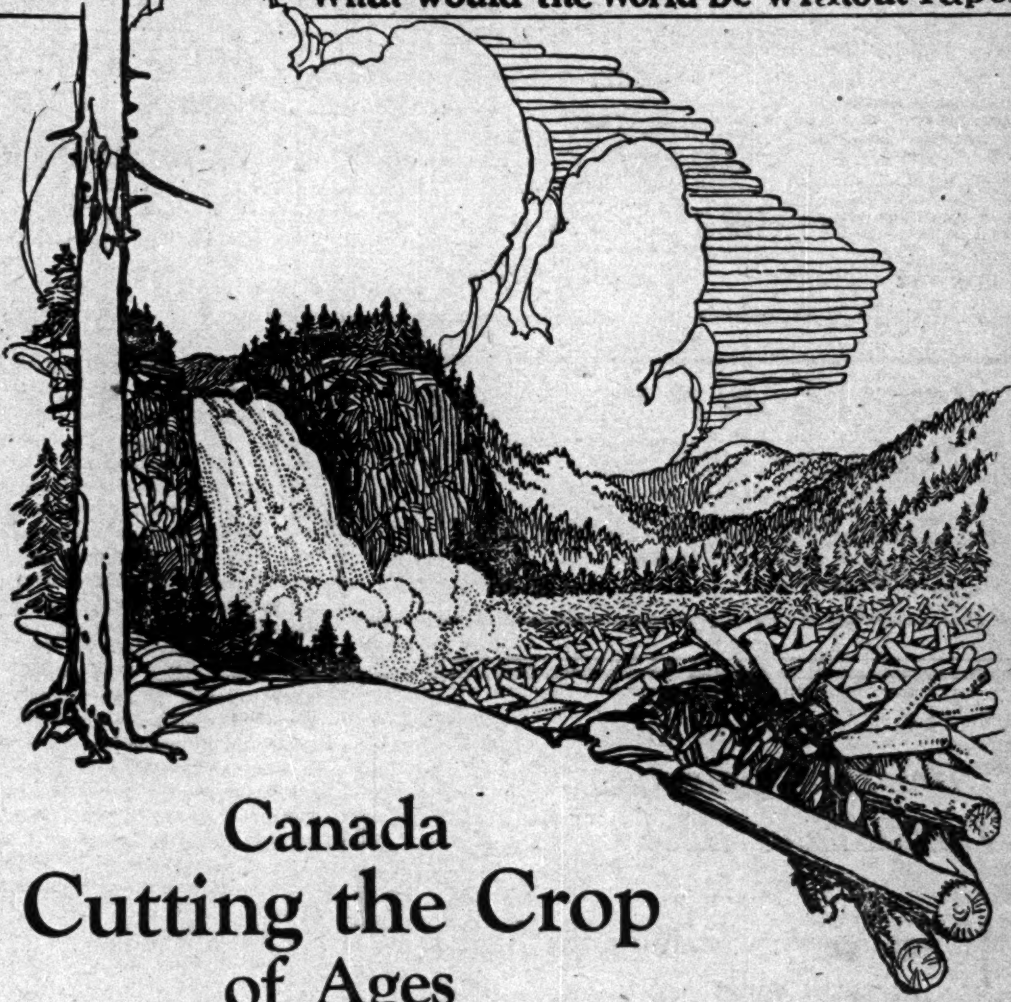
Edmonton is a city in Western Canada that suffered from over-expansion in the "boom" days of eight or ten years ago. Streets were laid out in the city far beyond the immediate needs of the population; assessments were inflated, public utilities erected to serve double the population. The writer last summer saw a sign on a pole about a mile from the edge of the actual city of Edmonton reading "Cars Stop Here." If the boom had not collapsed as all booms do, the prophecy would probably have been fulfilled.

The building of this superstructure for a city of 150,000 to 200,000 people where only 70,000 people reside took a great deal of borrowing. The city has quite a heavy debt and very heavy arrears of taxes and with such a condition of affairs it is natural that the bonds of the city should be selling at a lower level than the bonds of the older and more conservative cities of the East.

Edmonton, we believe, will pull through its difficulties. Great progress has been made along this line during the past two or three years and with the careful supervision of several able municipal officers that the city is fortunate in having the progress should continue.

Edmonton's position on two transcontinental railways, and at the gateway to the almost untouched resources of the Peace River district and the Mackenzie basin, coupled with the fact that it is the capital of the province of Alberta, makes its prospects excellent.

What would the World be without Paper?



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NOWHERE else are there such vast stores of the world's best pulpwood available at a price the world can pay.

Greater by 22,000 sq. miles than the combined areas of France and Great Britain, and capable of yielding 1,033,370,000 cords of finest pulpwood, Canada's forest area covers 350,000 sq. miles.

And equally significant in establishing the permanency of our pulp and paper industry is Canada's possession of almost half the total water-power resources of the British Empire—over 20 million horse-power.

The destiny of Canada to become the world's greatest producer of pulp and paper was fixed in the distant past. In the last six years, by enlarging plants and perfecting processes to reduce manufacturing costs, Canada has achieved that destiny. She stands today supreme in the world in quality of product and ability to manufacture at low cost.

The faith of the first 100,000 men and women who have already invested almost $300,000,000 of their savings—the faith of those who directed the destinies of these companies, turning back their enormous earnings in order to achieve this supremacy, has been abundantly justified.

No temporary depression in industry can more than temporarily affect the future of this now perfectly-equipped basic industry.

"There is not (in the United States) a stand of spruce east of the Rockies that would justify the erection of even a fifty-ton mill. . . . this country must look to Canada . . . for the greater part of it's pulpwood."

PHILIP DODGE, President,
International Paper Co.
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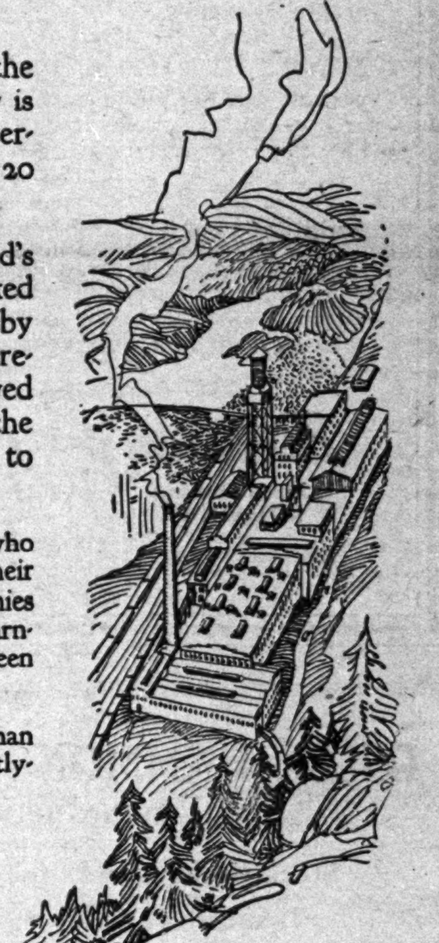

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This Advertisement is No. 1 of a Series

DEBENTURE ISSUE

Enquirer, Ontario.—We are issuing debentures here for $250,000 to raise money to pay for a cement bridge structure costing $500,000, a permanent work. Now I contend that we spread it over for forty years, others say it would be too costly to do so now and want to issue them for 10 years with the option of renewing for 20 or 30 years. By so doing they say that the interest would eventually be lower in ten years than it is now. Which would you prefer, and which would be the most beneficial to the city financially?

It would be inadvisable for your city to issue forty year debentures to pay for a bridge, even though the life of the bridge might extend beyond that period. The tendencies in good civic finance have been to shorten the term of debentures rather than to lengthen the maturity, in order to reduce interest charges to the minimum. This would be especially true in the case of a growing community that expects to require considerable financing to care for its expansion in the future. The city would benefit from as extended an application of the "pay as you go" policy as possible with the additional policy of keeping the maturity of loans well within the life of the works they cover.

If you wish to avoid paying present interest rates for the full length of the loan you could issue three or preferably five years notes for the amount of the work and then refund the notes with an issue of twenty year bonds. The saving would be very little though even with a substantial improvement in bond prices, and it is doubtful if it would be worth the additional effort. To issue twenty year instalment type debentures now would probably prove in the end the cheapest and best plan.

In any event to issue forty year debentures would require a special act of the provincial legislature, and it is possible that even thirty year debentures would require special legislation, unless they could be classed as good roads debentures.

Victory Bond Department

One very considerable department of our business deals exclusively with the purchase and sale of Victory Bonds.

Consequently, by sending us your orders to buy or sell, you are assured of prompt, accurate and altogether satisfactory service.

Telephone orders solicited.

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PRICE 100 AND INTEREST

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Take an inventory of your securities to-day. Probably you will find some bonds may be profitably exchanged for others yielding more—with absolute safety. We will gladly advise you on this matter. Such individual aid is part of our service.

Send for a copy of our "Investment Guide." It contains many practical suggestions.

Before You Invest, Consult Us.

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NEWS OF THE BOND MARKET

CIVIC FINANCING BEING WATCHED BY BUSINESS MEN

Closer Watch on Municipal Budgets During Present Year

HEALTHY MOVEMENT

In St. John Delegation of Merchants Was Deputed to Talk Economy to City Council

Throughout Canada business men are taking a much closer interest in civic finance during the present year than they have displayed for a number of years. The day of easy profits is past; manufacturers, retailers and other business men see that they must fight for prosperity, and they realize that every dollar they save on business expense means many dollars more in the ultimate profit reckoning. Their taxes, municipal taxes as well as Federal taxes, have been steadily increasing since the beginning of the war and they are now taking an active interest in civic finance with a view to injecting more business system into their local assessment and taxation matters.

Boards of Trade from coast to coast in Canada have detailed committees to check over civic budgets and demand of their finance committees and city councils that appropriations be kept to the absolute minimum, that capital expenditures be postponed wherever possible, and the economy be more than an election cry.

Practical Co-operation

In St. John, for instance, the Retail Merchants' Association sent a delegation to the City Council to point out that as this will be a year of small profits or no profits in business the tax-paying ability of the people will be less, and that new burdens should not be imposed. In Calgary the Board of Trade heard a series of addresses from leaders of the civic government on the finances of the city. In other cities similiar bodies of business men have been working along the same lines.

Municipal bond sales for the first two months of the year have reached tremendous proportions, which does not seem to indicate that the demand for economy has been widely heard. But the co-operation of business men in civic affairs is a healthy sign, and with a widening of the movement should come a higher sense of civic duty that will mean better financing of municipalities.

NO LOSS EXPECTED AT TRANSCONA, MAN.

Province Has Dealt Thoroughly With Similar Cases in Past

While Transcona, Man., has asked the provincial Government for an administrator to take over its financial affairs, it is not anticipated that bondholders of the town will suffer any financial loss. Manitoba, in common with British Columbia, has in the past dealt very ably with municipalities in difficulties.

At a meeting of the ratepayers of Transcona Mayor Lyon explained that outstanding taxes totalled $500,000. To carry the town through to the end of the year $285,000 was required.

Money had been borrowed to pay teachers' salaries, and town hall salaries and accounts were unpaid; $78,159 was owing the sinking fund and $31,521 to the trust account; the tax collections in January and February totalled $4,485, and only $16,000 was held to meet a $40,000 debenture debt payment due this month.

LOOKING UP INDEED

The investment manager of an Eastern insurance company took a trip across the Prairie Provinces to look over the investments of his institution in the West. On his return he was called into consultation by the president of the company.

"And how did you find things at Boomtown?" asked the president, mentioning one of the Saskatchewan municipalities that has gotten into heavy financial difficulties.

"Oh, things are looking up at Boomtown," said the investment manager.

The president smiled. "I'm glad to hear that, because—" he began. The treasurer interrupted to continue his explanation. "Things are looking up in Boomtown, because the place is so flat on its back it can't look in any other direction."

MORE SASKATCHEWAN TOWNS IN TROUBLE

Eastern Investors Want Action From Provincial Government

Failure of Swift Current and Estevan to meet their obligaitons, adding two more municipalities to the list of those in Saskatchewan that have defaulted, has brought about a critical situation. Bond houses and investing institutions in Eastern Canada in many cases declare that bonds of all Saskatchewan municipalities will be very unpopular until the Saskatchewan provincial Government takes more energetic steps to improve the financial position of its defaulted towns and cities. In that province, Swift Current, Estevan, Prince Albert, Humboldt, Battleford, Melville, Scott and Canora have all defaulted in some degree and in some of the cities little progress has been made to a settlement.

It is not asked of Saskatchewan that direct financial assistance be granted the unfortunate towns. In Manitoba and British Columbia, where towns have gotten into difficulties, administrators have been appointed with full authority to take the necessary steps toward financial rehabilitation. In Alberta, a judicial commission is operating with the bondholders and made satisfactory settlements in the case of several defaults.

$1,500,000 MONTREAL SCHOOL BONDS SOLD

A. E. Ames and Co. and Wood, Gundy and Co. were successful tenderers for $1,500,000 of Montreal public school commission bonds. The debentures bear 6 per cent. interest and mature serially from 1925 to 1950. The price was 97,884, a 6.23 per cent. basis.

Tenders received were:

A. E. Ames & Co., and Wood, Gundy & Co.	97.884
United Financial Corp.	97.79
Dom. Securities Corp., National City Co., Harris, Forbes & Co., and Hanson Bros.	97.637
H. R. Wood & Co., and A. Jarvis & Co.	93.538

MATURITIES HEAVY

Dominion Government obligations totalling $115,000,000 will be redeemed this year. They include $25,000,000 falling due April 1, debenture stock for $363,250 falling due June 1, a New York loan for $15,000,000 falling due August 1; treasury bills for nearly $25,000,000 and $50,000,000 falling due October 1 and 15, respectively.

BOND MOVEMENTS OF THE WEEK

Bonds—	Int. Rate.	Due Year.	Yield	Range 1921. High	Low	Latest price, week end. Mar. 15. Ask	Bid	High	Low	Sales
Bell Telephone	5	1925	6.78	92½	91¼	..	93	92½	..	$1,000
Can. Cement	6	1929	7.07	94	91½	..	93	93	..	2,000
Can. Loco.	6	1951	6.87	89	86½	90	..	89	..	1,000
Can. Cottons	5	1940	7.07	79	78	79	78	78	..	1,500
Can. Converters	6	1926	8.15	90	..	..	..	90	..	1,000
Cedar Rapids	5	1953	5.87	87½	86⅛	88	87½	87½	87	10,200
Dom. Coal	5	1940	6.12	87¼	86	..	86	87¼	..	1,000
Elec. Develop.	5	1933	5.77	93	92	94	93	93	..	3,000
Dom. Iron	5	1929	7.86	82	75	..	81	81¾	81½	5,000
Mont. Tram. debs.	5	1924	13.50	69½	65	..	66	69½	66	2,100
Mont. Power	4½	1932	5.66	90½	88¼	..	..	90	..	3,000
Mont. Sep., '23	6	1923	6.85	99¼	97¾	..	99	99	97¾	3,700
Do., Dec., '22	6	1922	1.95	108	96½	..	108⅜	108	..	3,500
Ogilvie	6	1932	6.47	96	93	..	..	96	..	1,000
Penmans	5	1926	7.28	89½	85	90	88	89	..	1,000
Quebec Rly.	5	1939	8.58	68	59	..	62	65	64½	17,500
Rio	5	1935	7.33	79	62	79	78	79	*68	2,100
Sao Paulo	5	1929	8.35	82	70	79	78	78	..	1,000
Steel of Can.	6	1940	6.48	95	92½	95	93	94½	..	1,000
Wayagamack	6	1951	8.15	78¼	75	..	..	76	..	32,300
War Loan (1925)	5	1925	6.25	95¾	92	95	94⅝	95¾	94¼	56,200
Do. (1931)	5	1931	5.95	95¼	90¾	93	92¾	93	92½	38,700
Do. (1937)	5	1937	5.19	98½	94½	97¾	97⅝	97⅞	97½	303,100
Victory Ln. (1922)	5½	1922	6.17	99¼	97	98⅞	98¾	98¾	98⅛	188,150
Do. (1923)	5½	1923	6.28	99	95½	97⅞	97¾	98⅛	97⅝	393,450
Do. (1924)	5½	1924	6.53	98½	94¼	96½	96¼	96½	96	211,450
Do. (1927)	5½	1927	5.94	99⅛	95¼	97¾	97½	97¾	97	96,550
Do. (1933)	5½	1933	5.68	99	95⅛	98½	98⅝	98⅝	98	558,050
Do. (1934)	5½	1934	6.08	98⅛	92¼	95⅛	95	95⅝	94⅞	366,650
Do. (1937)	5½	1937	5.53	100½	96½	99¾	99⅝	99⅞	99¼	170,250

*Less than $1,000 lots.

BIDS NUMEROUS FOR SHERBROOKE'S ISSUE

Bonds Are Sold to Rene T. Leclerc at 6.13%

A wide list of bids was received for an issue of $513,000 of city of Sherbrooke bonds this week. The debentures were 6 per cent., running for ten years, and were sold to René T. Leclerc, of Montreal, at 98.90, a 6.13 per cent. basis.

Bids received were as follows:

Rene T. Leclerc	98.90
Credit Canadian	98.695
Royal Securities Corp.	98.677
Musson & Forget	98.573
Versailles, Vidricaire & Bourlais	97.17
Beaubien & Co.	98.
A. E. Ames & Co. and Wood, Gundy & Co.	97.91
Beausoleil & Co.	97.80
Nesbitt, Thompson & Co.	97.175
Dom. Securities Corp.	97.35
Prov. Securities Corp.	97.31
Hanson Brothers	97.25
National City Co.	97.23

PEDLAR PEOPLE SELL $500,000 BOND ISSUE

H. V. Birkett & Co. Offer 8% First Mortgage Bonds of Company

An institution that has been a closed corporation ever since its inception in 1861 is now making a bond issue to the public. The Pedlar People, Ltd., of Oshawa, through H. J. Birkett & Company, are offering $275,000, the unsold balance of an issue of $500,000 of 8 per cent. first mortgage bonds, maturing $25,000 each year from 1923 to 1940, and $50,000 in 1941.

The company itself is a close corporation, and the whole of its $400,000 of capital stock is held by the Pedlar family and those who have been associated with it for the past twenty years. The business was started by the late George H. Pedlar in 1861 and the present company was formed in 1892. A new factory has just been erected and the present bond issue is to care for it. Last year's profits of the concern were $140,000, equal to three and a half times interest on the bonds. The company's business is the manufacture of sheet metal roofing, automobile parts, garages, etc.

EDMONTON'S FINAL PRICE OVER ORIGINAL

Portland Deal Is Finally Put Through by Mayor of City

After a very unsatisfactory hitch in the proceedings dealing with the consummation of the bond sale to the trustee for the affairs of Morris Bros. at Portland, the mayor of Edmonton announces that the matter has now been settled.

It will be recalled that the city council passed the re-sale at one point above the original price, leaving it open to the mayor to secure a better price if he could. Later the mayor accepted an offer of 1.79, which was 0.79 above the price approved by council.

Subsequently, however, the trustee wired the mayor to say that in this last bid the solicitors had acted without authority from the trustee.

The result of this was to call a halt in the re-sale negotiations, and, later, proceedings were commenced by the city against the trustees for the restitution of the bonds.

This had the effect of bringing another bid, that of 1⅜ above the original price, and this has now been accepted and the re-sale concluded.

Notification has been received that the trustee has $150,000 ready to pay the city at once, so that $300,000 of the bonds will be left at Portland, and the remainder sent back to Vancouver. It was agreed previously by council as soon as the trustee paid for $150,000 that another batch of similar value should be sent on at once.

UNITED STATES BOND MARKET

Bond Sales Keep Up with Record of Last Year

Toronto's bond issue was the second largest on the continent in February, Chicago's issue of $6,000,000 taking the lead.

The following table, compiled by the Daily Bond Buyer, of New York, shows total sales of bonds by American states and municipalities in February and in the two months ending February 28 for the last ten years:

	February.	Two months end'g Feb. 28
1921	$63,202,402	$138,773,558
1920	45,758,933	132,691,814
1919	21,004,352	45,840,200
1918	23,386,739	41,737,795
1917	24,987,302	64,332,942
1916	85,915,303	87,326,120
1915	39,610,087	70,976,965
1914	26,807,680	111 014,613
1913	21,102,868	64,036,209
1912	30,837,812	57,334,797

R. C. Matthews & Co.
Canadian Government Bonds
Investment Securities
C.P.R. BLDG., TORONTO

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You may hold 1933 or 1937 Victory bonds when 1934's, which are cheaper, would return you the same income and give you a profit on the trade. Only the wealthy, who are subject to high income taxes, should hold 1933 or 1937 bonds. On request we will gladly advise you concerning the advisability of making trades.
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All denominations at market prices. Provincial, Municipal and Industrial Bonds, yielding from 6% to 8%.
Send for offerings and all information.
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Toronto Stock Exchange
ROYAL BANK BUILDING TORONTO

A. R. Clements has been appointed manager pro tem of the Three Rivers branch of L. G. Beaubien & Co., members of the Montreal Stock Exchange. Mr. Clements is well known on the street, having been several [illegible] wire department of McDougall [illegible]

FIELD OF MUNICIPAL FINANCE

C.P.R. EXPERT HAS FAITH IN WESTERN IRRIGATION BONDS

Water Schemes Now in Operation Have Transformed Dry Areas

YIELDS INCREASED

Never a Mortgage Has Been Foreclosed on an Irrigated Farm in Southern Alberta —Government Scheme

By J. S. DENNIS,

Chief Commissioner, Dept. Colonization and Development, C.P.R., Montreal, Que.

Irrigation is a live issue in Western Canada at the present time, the great successes of existing schemes having occasioned a general clamoring from adjacent areas which, for lack of the necessary moisture, are deprived of the abundant harvests the land is capable of producing with this assurance of moisture. If irrigation schemes could spring into being at will, tremendous areas, where farmers are confident of its accruing benefit, and are envious of their neighbors' harvests, would be benefited, but unfortunately the bringing to fruition of an irrigation project is a protracted and expensive undertaking, necessitating exhaustive engineering study and large capital expenditures.

Before a scheme can get under way and work commence on the surveys, and the excavating of canals and ditches, and the construction of dams, etc., bonds must be issued and sold to meet the large expenditures involved in the work. When the first irrigation schemes were undertaken in the West, they were carried out by large corporations, the largest of these being that of the Canadian Pacific Railway. At that time, there were but a few visionaries who could foresee the metamorphosis of the plains to be brought about by the application of water through irrigation, and who were able to convince others of the practicability of their ideas, but these schemes were generally regarded as Utopian and received with scepticism on every hand.

Unqualified Success of Irrigation

The corporations, of course, financed these schemes and took all the risks. The sale of irrigation bonds then would have been an impossibility in view of the manner in which the public regarded the idea of irrigation in Western Canada, and one can imagine the disinclination with which Canadian bankers would have considered them. For the same reason, one can comprehend the reluctance with which, after the projects were initiated, loan companies viewed requests to loan money on mortgage security on irrigable farms.

The trend of opinion was, perhaps, more or less justifiable in the unproven results from irrigation in Western Canada, but what is now incomprehensible is the tardiness with which this short-sighted viewpoint is passing away in the light of the unqualified success irrigation in Alberta has achieved, and the steady and urgent demand of farmers for its further extension.

The situation has changed in Canada categorically. Irrigation has proven itself, and made farms and their owners independent. Though dealing in bonds based on irrigated lands may be in the nature of a new venture to Canadian bond dealers and loan companies, and they accordingly believe that this business calls for careful investigations and conservative treatment, they have the precedent of transactions south of the international boundary, especially in the states where, as in Alberta, large irrigation projects have proved their value in production and elevation in farm values. As far as mortgage loans are concerned, banks and loan companies in many of the Western States, when not disposed to loan money on dry-land farms, willingly do so on irrigable holdings, and their reports indicate that the percentage of loss on these loans is practically nil.

Since the initiation of irrigation in Western Canada, I am informed that a mortgage has never been foreclosed on an irrigated farm in Southern Alberta, and that in some of the irrigated districts it is now conceded that a full water right trebles the selling value of a farm. What better guarantee than this can be found behind any bond?

Irrigation bonds are a new kind of investment in Canada since the passing of the Alberta Irrigation Act made co-operative irrigation districts possible. The Dominion Government is the sole owner of water rights in the provinces of Saskatchewan and Alberta, and before a company, or individual, or body of farmers can proceed with an irrigation project, the Government must be satisfied of the feasibility of the scheme and the adequacy of the water available. Expert irrigation engineers of the Dominion Government determine this by survey.

The Irrigation Districts Act

Furthermore, to eliminate any possibility of loss to the bondholders, the Irrigation Districts Act, under which the project is evolved and operated, and the bonds issued, provides that the Alberta Government create a fund for the district equal to two years' interest on the bonds to cover any arrears on the part of the ratepayers. The fund is perpetual during the period of the loan, but is limited at any time to the amount of two years' interest. Stringent action is provided for in the case of default, by which the trustees of the district proceed against the land owners to recover the amount due by means of tax sales of delinquent lands.

If bond buyers carefully investigate the advantages of Western Canada irrigation bonds in the light of the success which has attended irrigation schemes in operation in Alberta now for some years they will probably realize their high investment values.

SANDWICH ISSUE TO WOOD, GUNDY

Some $228,000 of Bonds Sold at 95.17 to Toronto House

Sandwich, a municipality on the Essex frontier, has sold $228,334 of bonds to Wood, Gundy & Company. All but $25,300 of the bonds are for local improvements.

The issue consisted of several blocks of 6 per cent. bonds, from 10 to 25 instalments. The sale price was 95.17.

Money By-Laws

TENDERS WANTED

Mar. 26, Drumheller, Alta.—$28,000, 7 per cent., 20-year Hospital debentures. S. P. Williams, Sec.-Treasurer, Drumheller.

Mar. 21, Quebec Catholic School.—$700,000, 6 per cent. at 10 years or 5½ per cent. at 30-years. Antoine C. Taschereau, Sec-Treasurer, Board of Roman Catholic School Commissioners, Quebec.

Mar. 23, Toronto Separate Schools.—$350,000, 6 per cent., 20-year sinking fund debentures. James O'Hagan, Chairman Finance Committee, Jarvis Street, Toronto.

Mar. 19, Ellice R. M. Man.—$49,000, 6 per cent., 30-year good roads debentures. J. E. Selby, St. Lazare, Man.

Mar. 20, St. Lambert, Que.—$500,000, 6 per cent., 30-year debentures.

Mar. 21, Montreal West, Que.—$282,000, 5½ per cent. various debentures. C. I. Fraser, Sec.-Treasurer, Montreal.

Mar. 21, British Columbia.—$2,000,000, 6 per cent., 20 years, payable in Canada only, or an alternative of 5 or 10-years, payable in Canada and United States.

Mar. 21, Three Rivers.—$250,000, 6 per cent. debentures. Arthur Nobert, Treasurer, Three Rivers. Quebec. (See announcement on page 16).

BY-LAWS TO BE VOTED ON

Mar. 28, Stouffville.—$12,000 to build a municipal owned rink.

Apr. 5, Winnipeg.—$2,000,000 for new schools.

SASKATCHEWAN

The following is a list of authorizations granted by the local government board from February 27th to March 5th, 1921:

School Districts.—Clover Bar, 3,000; Pioneer, 7,000; Versailles, 5,941; Iris, 6.041;! Glen Ellen, 4.500; Wheat Centre, 2,000.

Villages.—Marquis, 1,500.

The following is a list of debentures reported sold from February 27th to March 5th, 1921:

Schools.—Barton, $1,400.00, 10 years, 8 per cent., Crown Life Insur., Toronto; Sandwell, $4,000.00, 10 years, 8 per cent.; Westlea, $4,200.00, 10 years, 8 per cent., Waterman-Waterbury, Regina; Candiac, $5,000.00, 10 years, 8 per cent., Nay & James, Regina; Scotsguard, $2,800.00, 10 years, 8 per cent., Waterman-Waterbury, Regina; North Regina, $2,500.00, 10 years, 8 per cent., C. C. Cross & Co., Regina.

Rural Telephones.—Yeomans, $700, 15 years, 8 per cent., Nay & James, Regina.

Rural Municipalities.—Marriott, $8,-698, 15 years, 7 per cent., H. J. Birkett & Co., Toronto.

Villages.—Borden, $2,000.00, 10 years, 8 per cent., R. S. Smith, Borden.

LIVELY FINANCING IN BRITISH COLUMBIA

After Staying Out of Market During War, B.C. Cities Borrow

From Our Own Correspondent.

VANCOUVER. — British Columbia municipalities and school districts are again commencing to come into the market with small offerings of local improvement and school issues, due to the strengthening tendency of the security market. During the last couple of years much needed improvements have been postponed and in other cases efforts have been made to dispose of bonds within the municipalities concerned with variable success. A case in point is Burnaby, where, in a recent issue, only the reeve and one of the councillors could be induced to purchase. North Vancouver put out a school issue a few weeks ago and after much negotiation they were taken by a local broker and disposed of without trouble south of the international line.

In 1913 and again six years later the municipality of Point Grey made two offerings of school bonds, the first carrying 5 per cent. maturing on August 1, 1953, the second 5½ per cent. redeemable in 1959. Due to unfavorable market conditions only a portion was disposed of at time of sale, the remainder, $73,000 of the 1953's and $83,000 1959's being offered by tender this week. Bids were asked in New York and Canadian funds and six houses, including several Toronto houses, bid. Both issues were awarded to the Canada Bond Corporation and Harris, Read & Company at the Canadian funds tender. Following is a list of the tenders and prices on the $73,000 issue:

	N.Y. Fds.	Can. Fds.
Harris, Read & Co. and Can. Bond. Corp.	no bid	78.40
Royal Fin. Corp. and Ceperley, Rounsefell..	78.589	77.811
B. A. Bond Corp. Waghorn Gwynn & Co. and Burdick Bros., Ltd.	75.58	74.5821
Can. Financiers	no bid	75.
Wolverton & Co. and R. C. Mathews & Co..	nobid	76.04
Pemberton & Sons and Wood, Gundy & Co..	78.03	77.095

Tenders on the $83,000 issue maturing in 1959:

	N.Y. Fds.	Can. Fds.
Harris, Read & Co. and Can. Bond Corp.	no bid	84.49
Royal Fin. Corp. and Ceperley, Rounsefell..	84.77	83.937
B. A. Bond Corp., Waghorn Gwynn & Co. and Burdick Bros., Ltd.	no bid	no bid
Can. Financiers	no bid	81.25
Wolverton & Co. and R. C. Mathews & Co..	no bid	81.83
Pemberton & Sons and and Wood, Gundy & Co.	84.14	83.10

The municipality of Burnaby is selling $71,700, part of an original issue of $74,000 school bonds and $60,000 waterworks bonds, both carrying 6 per cent. interest payable in New Westminster and Montreal. The school bonds were issued in December last year and mature in 1935. Acceding to public demand this issue was offered over the counter but was met with failure.

Other issues anticipated soon are Nanaimo local improvements and Surrey, North Vancouver and Port Coquitlam school bonds.

The Chilliwack local improvement issue of $46,000 ten-year sixes was awarded to Pemberton & Sons at 90.22, the remaining bids being as follows:

Pemberton & Sons	90.22
A. E. Ames & Co.	90.19
Harris, Read & Co.	89.25
Canadian Financiers Trust	89.90

The entire issue was sold in Vancouver on a 7 per cent. basis.

HARRIS, FORBES BUY PT. COLBORNE BONDS

Issue of $19,500 Sold on Basis of 6.47 Per Cent.

Harris, Forbes & Co. have purchased $19,500 of 6 per cent., 20-instalment bonds of the town of Port Colborne, Ont. The price paid was 96.279, a 6.47 per cent. basis.

Tenders were:

Harris, Forbes & Co.	96.279
C. H. Burgess & Co.	96.08
A. E. Ames & Co.	95.69
Dom. Securities Corp.	95.57
Wood, Gundy & Co.	95.37
R. C. Matthews & Co.	94.50

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
Mar. 16	Sandwich	Wood, Gundy & Co.	6%	10.25	$228,334	95.17	....
Mar. 15	Sherbrooke	Rene-T. Leclerc	6%	10-yr.	513,000	98.90	6.13
Mar. 16	Port Colborne	Harris, Forbes & Co.	6%	20-in.	19,500	96.279	6.47
Mar. 4	Chilliwack, B.C.	Pemberton & Sons	6%	10-in.	46,000	90.22	....
Mar. 7	Trail, B. C.	Gillespie, Hart & Todd	7%	20-yr.	37,000	96.	7.88
Mar. 11	Verdun (Riviere St. Pierre Schools)	Societe General du Canada	6½				
Mar. 16	Montreal Public Schools	Wood, Gundy & Co. and A. E. Ames & Co.	6%	25 in. 5-yr.	1,500,000 150,000	97.884	6.23 ....
		INDUSTRIAL					
Mar. 14	Pedlar People	H. J. Birkett & Co.	8%	20-yr.	$500,000	.....	....

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Under present conditions investors have the opportunity of purchasing Canadian bonds at bargain prices. Those who are in a position to purchase securities to-day are undoubtedly securing them at low levels, and may expect considerable appreciation in their investments over the next few years.
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1870 --- OUR GOLDEN JUBILEE --- 1920
FIFTY-ONE YEARS OF STEADY PROGRESS
One of the most brief yet impressive histories of Canadian financial institutions is contained in the annual record of the Mutual Life of Canada. The current issue will be ready in a few days. A copy will be sent to you on application. It contains fifty-one successive summaries showing in ten parallel columns the increase from year to year of the company's various receipts, expenditures, etc. No other document could better convey the idea of solid uniform achievement, and the momentum of the advance is now greater than ever. The prospects are bright for a still more rapid expansion within the next few years. The assets of the company exceed $40,000,000 and the assurances in force have reached $206,000,000. There is a gross surplus of more than five million dollars over and above the amount necessary to guarantee all policies, so that the position of the company in spite of the strain of recent years is one of uncommon strength.
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PAID-UP CAPITAL AND RESERVE.......... $1,172,000
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INSURANCE AND REAL ESTATE

CO-INSURANCE PRINCIPLE AND LOWER PREMIUMS

Its General Application Means a Larger Volume of Insurance

RISK UNALTERED

Majority of Property Owners Prefer to Insure for Nominal Percentage of Insurable Value—Its Advantages

By G. J. MALCOLM.
The General Accident, Fire and Life Insurance Corporation.

(From a paper read before the Insurance Institute of Canada.)

It is a peculiar thing that many insurance men find it very difficult to explain the co-insurance clause, and there is quite a widespread idea that the clause has not only to be explained, but also to be justified. I do not know why this should be so, except that it is pretty generally misunderstood, both in its underlying principles and in its operation.

It is obvious to the most untechnical person that if the insurance companies do not collect sufficient premium to cover their running expenses, their reserves, and, make a small profit, in addition to paying their losses, then they cannot stay in business. It seems to me, however, that instead of remembering this fundamental fact too much emphasis is laid on the question of rates, which, after all, is a secondary consideration, being only the most convenient way of assessing each assured, by charging him a percentage of his insurance in order to arrive at the premium which he has to pay the insurance companies.

Although the fire companies cannot arrive at an accurate table of experiences, such as governs a life company's rate making, yet, by tabulating our experience we can arrive at a pretty fair idea of the amount of loss that any class of risk will show in a year. Looked at from the insurance companies' point of view the normal rate for any class of risk is really the co-insurance rate, for, assuming that each property owner is complying with the terms of the co-insurance clause, the co-insurance rate can be arranged to produce sufficient premium to enable the companies to show a profit. If, however, the majority of property owners prefer not to carry the co-insurance clause and elect to insure for only a nominal percentage of their insurable value, it is obvious that, as this will not make any difference to the amount of loss sustained on the class, but on the other hand will greatly reduce the total amount of insurance written, in order to obtain adequate premium out of this reduced amount of insurance, the companies have to increase the percentage charged to each assured. In other words, they have to put up the rate.

If the large majority of assured are underinsured, then it will appear that each is paying more than his share of the total premiums, because his premium will bear a higher proportion to the amount of insurance he carries—but his rate is only larger because his insurance is smaller.

Attempts to Adjust Rates

We sometimes have rating committees attempting to adjust the rate (on the contents, say, of fireproof buildings), and to fix a graded scale of credits and increases proportionate to the amount of co-insurance carried. One such table that has recently been published takes the 80 per cent. co-insurance rate as the normal; if 90 per cent. co-insurance is carried the rate is reduced 5 per cent.; and if 100 per cent., or full co-insurance, is carried the rate is reduced 10 per cent. On the other hand, if the amount of co-insurance is less than 80 per cent. the rate is increased in a fairly rapidly rising scale.

If 80 per cent. co-insurance is carried it is a fairly simple matter to strike the percentage that must be paid by each property owner and you will note that the rule in Ontario is that every policy covering on fireproof property must carry co-insurance. The assured do not understand this, however, and think that we should be able to name a rate that would allow them to carry just sufficient to cover their anticipated loss in any fire, but they would not be any better off with such a rate, as it would have to be high enough to produce the same premium from the reduced amount of insurance that the companies would have obtained from insurance subject to 80 per cent. co-insurance.

In Ontario every policy covering on fireproof property must carry co-insurance, but every decent rule has its exception and this one has its exception in a kind of compromise. Instead of containing a co-insurance clause certain policies can be made subject to a warranty that a certain fixed minimum amount of insurance will be carried and you will notice that the object of such a clause is to ensure that the companies shall derive adequate premium from the risk, which is the true function of the co-insurance clause.

The point is, that for a consideration the assured agrees to carry a certain percentage of insurance to insurable value of his property. If he is a wise man he immediately obtains the necessary cover in one or more regular insurance companies and when a loss occurs all he has got to do is to produce his policies and they will all contribute their share of the loss; if he is a fool or a child and willing to take a chance in the hope of saving a little premium then he cannot grumble if he is asked to take the place of the insurance companies that might have had his risk, and is requested to contribute his pro rata share of any loss that may occur. It is really very simple, and the question for an assured to consider is not so much: "How will the co-insurance clause affect me if I have a loss?" but, "Are the conditions of my business and my accountancy system such that I can readily arrive at the value of my property at any time and can thus be sure that I am carrying sufficient insurance?"

LOOPHOLE IN TAX LAW, THINKS LAWYER

Contends Ontario Cities Cannot Legally Tax Mercantile Dividends

What he considers is a loophole in the Ontario Assessment Act has been found by Mr. John McBeth, a Toronto lawyer. As a result of the deficiency in the act, Mr. McBeth believes that tax payers making out their civic tax returns have the privilege of ignoring the amendment passed a year ago in the legislature to tax income derived from dividends on industrial and mercantile securities.

Mr. McBeth bases his contention on the fact that the Legislature, in passing the amendment, failed to delete another section of the act which exempts "the dividend or income of stock held by any person in an incorporated company, the income of which is liable to assessment in Ontario."

It is maintained that the action of the Legislature in taxing dividends is nullified by the sub-section just quoted.

Assessment Commissioner Forman, of Toronto, refuses to agree with Mr. McBeth's contention. To THE FINANCIAL POST he explained that there is a difference between business tax and income tax. All corporations pay a business tax, and their shareholders pay income tax on their dividends from the corporation in addition. But there are such corporations as legal firms, contracting companies, etc., which have an income in excess of their business assessment and they are assessed for income tax on the difference. In these cases, which are few, the individual shareholders are not taxed on their income from the corporation.

DOMINION FIRE SURPLUS $292,653

Large Proportions of Investments in Government and Municipal Securities

The financial statement of the Dominion Fire Insurance Company, published this week, presents some interesting features. Of the total assets amounting to $961,062, investments in Canadian war loans amount to $525,000; in bonds of the Provinces of Saskatchewan, Alberta and British Columbia, $148,666; municipal debentures, $133,932; banks and loan companies, $41,700, and the balance of assets are of a very liquid nature. The liabilities include net unadjusted fire losses amounting to $90,486, unearned premium reserve $333,759, hail reserve $20,271, and deposit account for reinsuring companies $198,595. The surplus to policyholders, being the excess of cash assets over liabilities, totals $292,653. The company's paid-up capital amounts to $250,000.

The following board of directors have been elected for the ensuing year: Lieut.-Col. Robert F. Massie, president; Philip Pocock, vice-president; R. A. Brock, R. S. Cassels, K.C., G. J. Cuthbertson, R. J. Hutchings, Emile Ostiguy, N. W. Renwick and Dr. Thaddeus Walker.

GOOD CONDITIONS IN N. S. MORTGAGE FIELD

Interest Well Met and No Foreclosures Made by Eastern Trust Company

Satisfactory conditions in the mortgage field in Nova Scotia are indicated in the annual report of President Hector McInnes of the Eastern Trust Company, who points out that the company made loans to a large amount on real estate during last year and that, notwithstanding the very large funds invested in mortgages, no foreclosure was necessary; all interest has been paid and the company holds no property acquired by foreclosure.

Mr. McInnes also points out that the year saw an important increase in voluntary trusts while the insurance and real estate department expanded in a satisfactory way. The guaranteed investment department issued circulars offering higher interest—5½ per cent. for any period of years and 6 per cent. for one year—which resulted in a considerable increase in funds from this source.

Profits for the year at $140,137 compared with $131,766 in 1919 and $126,080 in 1918, but income taxes for three years took $15,900 which, with other taxes, reduced the net profits to $117,670 compared with $127,159 and $123,767 for the two previous years respectively. Dividends at 9 per cent. took $90,000 and after writing off a substantial sum and providing for directors' fees $20,000 was added to the reserve; the result was that the surplus of profit and loss was reduced from $25,672 to $18,019. Following are comparative figures for the past three years:

	1920.	1919.	1918.
Profits ...	$140,137	$131,766	$126,080
Taxes	6,567	4,607	2,313
Inc. tax	15,900	......	......
Net	$117,670	$127,159	$123,767
Bal. forward.	25,672	25,154	53,476
	$143,342	$152,313	$177,243
Dividends....	90	87,500	80,000
Div. fees ..	9,750	7,750	7,750
Patriotic ..	......	1,000	4,450
Writ. off ...	5,572	391	9,889
Reserve ...	20,000	30,000	50,000
Balance	18,019	25,672	25,154
	$143,342	$152,313	$177,243

During the year the company's assets increased from $23,271,221 to $26,316,713, which does not include properties held under deed of trust to secure bondholders, and during that time estates and funds to the amount of $835,204 were distributed to beneficiaries. The following comparative figures indicate the expansion of the company's activities in recent years:

	Capital. Account.	Guar. Account.	Estates, etc.
1920 ..	$1,543,019	$475,269	$24,298,424
1919 ..	1,455,672	161,582	21,653,965
1918 ..	1,550,154	121,000	20,870,981
1917 ..	1,303,476	111,076	18,084,480
1916 ..	1,287,997	104,471	16,949,952
1915 ..	1,276,829	92,871	14,943,812
1914 ..	1,171,614	35,550	14,437,005

U. S. FIRE LOSSES

About a Billion and a Half Dollars in Five Years

The National Board of Fire Underwriters has issued a compilation of fire losses in the United States for the past five years, showing a total loss of $1,416,375,845, four times the amount spent in building the Panama Canal. The most regrettable feature of the situation is that most of the loss was preventable, the Board states. Electricity is the chief cause of fire, a total of $84,086,471 being traced to this source. Matches and smoking materials stand second, with a loss of $73,474,348 for the five years, while defective chimneys and flues hold third place, with a total of $56,650,915.

LAND AND IRRIGATION

A report on the stock of Canada Land & Irrigation Co. from an English broker is to the effect that the ordinary shares of this company are now selling at 2s. 6d. in London. This broker does not see any immediate prospect for appreciation, saying, "The Canadian land business has not recovered since the war."

ANOTHER HOME ISSUE

Alberta Will This Time Offer $2,000,000

After having built up a great fund of goodwill among citizens of the province for their own bonds by an extensive and well-planned campaign of advertising, Alberta is planning to issue another $2,000,000 of bonds to be sold to home buyers.

One million dollars of the bonds were offered last June, and while sales have been quite slow, it is anticipated that the $100,000 still
ing will be disposed of
month, when a new and
can be made that will hav
tage of the publicity
already been done.

INVESTMENT
Queen Street West, corner, 100 x 106, rear lane. Six houses in excellent state of repair bring a big revenue. Eventually a large warehouse will occupy this site.
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ROBINS LIMITED
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Western Assurance Com
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO,
Assets Over - - -
Losses Paid Since Organization - - - $77,
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British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance
HEAD OFFICE - - TORONTO
BOARD OF DIRECTORS: W. R. Meikle, President and General Manager; Sir John Aird, Robt. Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.
Assets over - - - $4,
Losses Paid Since Organization, over - - $47,

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Direct from the makers
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Patterns and Prices on Application
S. A. NEWALL & SONS (Sporting Dept.)
Stornoway, Scotland
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Make it as large as possible while you are living. When you have passed away your wishes will be carried out to the letter, if the executor named in your will is

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Manager, Ontario Branch - A. E. HESSIN

SLOW DECLINE IN BUILDING COSTS CHECKS ACTIVITY

Volume of Construction During February of Small Proportions

TOTALS DECLINE

Considerably Under Figures For February, 1920—Large Volume of Building Held Back

The conditions in the building trades throughout Canada during the month of February were in sharp contrast to those which prevailed a year ago. During February, 1920, building was getting well under way and the figures for the month showed a distinct improvement over the returns for January. During February of the present year, however, the same sluggishness which has been characteristic of the building trades for several months past continued. There has been little or no improvement yet in connection with the factors that have tended to repress building. While material costs are slowly subsiding the downward movement has not yet been on such a scale as to provide any stimulus to building. Labor is holding out for the highest wages, naturally, and this matter has not as yet been adjusted to the satisfaction of the builder. Meanwhile, a large volume of building is being held up to await the return of more favorable conditions.

The value of building permits for February reached a total of $3,045,041 compared with $5,517,744 for the month of February, 1920, or a decline this year of $2,472,703. The totals for the two opening months of the year reach $5,293,628, compared with $9,255,861 for the opening months of the previous year. Permits valued at $2,646,678 were issued in the 25 Eastern cities during February against $4,557,743 last year, while the west shows an even more marked decline, the total for the fourteen cities reaching $398,363, compared with $960,001. With but comparatively few exceptions the important cities of the Dominion report a decline in value of building undertaken as compared with a year ago. Toronto's total has been practically cut in half, and stands for the past month at $737,777, compared with $1,462,468, or a decline of $724,691. Montreal, on the other hand, shows an important increase.

The following are among the larger permits issued during the month: Sherbrooke, tenement house, $5,000; Westmount, apartment house, $200,000; London, Salvation Army Hall, $15,000; Welland, garage, $16,000; York Township, store, $11,000; Winnipeg, alterations to theatre, $10,000; Regina, alterations to motor plant, $20,000.

NORTHWESTERN LIFE

In connection with the annual report of the Northwestern Life it is pointed out that the surplus to the public for 1920 is $116,244. This surplus is equal to 20 per cent. of the entire liabilities.

MAY APPEAL JUDGMENT

Toronto Company Loses Action in Regina Courts—Claims Protection

The Ontario Wind Engine & Pump Company, of Toronto, which lost an action in the district court at Regina because it was shown that the company did not maintain an office in the province of Saskatchewan, although registered in the province, has under consideration the matter of appealing from this decision. The transaction on which this litigation is based took place in 1911, at which time, although the company had property and a warehouse at Regina, the administrative offices were located at Winnipeg. Since then, however, and dating from June, 1915, the company has maintained an office in Regina. The company's contention is that as it was authorized and had paid for the privilege of doing business in Saskatchewan it should be protected by the courts of the province in the collection upon any sale made under such authorization.

DARTMOUTH FERRY BURDEN TO CITY

Less Political Interference Might Help, Thinks Mayor Vidito

From Our Own Correspondent.

HALIFAX. — THE FINANCIAL POST has in the past referred to the financial non-success of the operation of the steam ferry between this city and Dartmouth, on the opposite side of the harbor. For thirty years this service has been managed by a commission representing the town of Dartmouth. I. W. Vidito, who has just been elected mayor, has made the statement that the ferry does not pay, never did since it came into the hands of the municipality, and that it never will under the present system. The situation is that to-day the ratepayers of Dartmouth, on account of the operation of this ferry, are faced with an outstanding indebtedness of $266,000, with practically no sinking fund to meet maturing obligations. It is not the first time the operating commission has found it necessary to issue debentures to meet maturing bonds. Even with the new schedule of rates, effective on April 1, it is considered questionable if both ends can be made to meet, for the higher rates will cause a falling-off in traffic, at least for a considerable time. Mayor Vidito is not in a position to advocate that the ferry should revert to a private company, but he says there should be more absolute control by a manager and less interference by politicians.

THE AUTO IN THE STATES

Over Nine Millions Were Registered in 1920

Figures just compiled by the American Automobile Association indicate that there were 9,180,316 passenger and commercial motor vehicles registered in the United States during 1920, of which 8,234,490 were for passenger use and 945,826 were commercially employed. During the same period 271,230 motorcycles were also registered. The total receipts from registrations amounted to $99,141,097.

BUILDING PERMITS ISSUED IN FEBRUARY

Eastern Cities

	Feb., 1921	Feb., 1920	Change	2 mos. 1921	2 mos. 1920	Change
Maritime—						
Halifax	$ 101,780	$ 182,160—	$ 80,380	$ 115,955	$ 379,025—	$ 263,070
Moncton	1,650	9,200—	7,550	7,175	64,385—	57,210
St. John	3,000	8,000—	5,000	3,000	20,000—	17,000
Sydney	10,450	10,210+	240	37,950	20,730+	17,220
Quebec—						
Montreal	623,605	386,335+	237,270	976,830	613,990+	362,840
Quebec	160,345	160,910—	565	173,660	271,560—	97,900
Sherbrooke	39,000	1,155,375—	1,116,375	51,400	1,156,375—	1,104,975
Westmount	213,125	26,000+	187,125	215,525	72,000+	143,525
Ontario—						
Brantford	6,040	16,150—	10,110	19,940	146,620—	126,680
Fort William	4,650	7,400—	2,750	17,650	7,950+	9,700
Hamilton	117,500	218,775—	101,275	465,150	354,225+	110,925
Peterborough	425	21,900—	21,475	6,212	26,800—	20,588
Port Arthur	2,050	5,740—	3,690	3,300	6,970—	3,670
Kingston	2,870	1,200+	1,670	4,175	7,855—	3,680
London	65,460	43,525+	21,935	105,560	73,210+	32,350
Ottawa	78,800	57,500+	21,300	89,800	136,200—	46,400
St. Catharines	13,821	7,445+	6,376	32,156	18,505+	13,651
St. Thomas	5,920	1,410+	4,510	8,970	4,210+	4,760
Stratford	3,235	4,040—	805	8,290	8,238+	52
Toronto	737,777	1,462,468—	724,691	1,822,397	2,932,098—	1,609,701
Welland	25,070	8,900+	16,170	29,595	10,100+	19,495
Windsor	97,700	492,900—	395,200	192,100	1,128,850—	936,750
Woodstock	645	26,130—	25,485	925	28,630—	27,705
York Township	294,650	222,600+	72,050	461,900	276,850+	185,050
Sarnia	37,110	21,470+	15,640	67,620	57,190+	10,430
Total 25 E. Cities	$2,646,678	$4,557,743—	$1,911,065	$4,417,245	$7,822,566—	$ 3,405,321

Western Cities

	Feb., 1921	Feb., 1920	Change	2 mos. 1921	2 mos. 1920	Change
Alberta—						
Edmonton	$ 13,685	$ 149,100—	$ 135,415	$ 27,085	$ 151,750—	$ 124,665
Lethbridge	2,280	7,200—	4,920	2,720	16,000—	13,280
Medicine Hat	3,800	3,400+	400	5,800	6,825—	1,025
Manitoba—						
Brandon	3,075	8,000—	4,925	4,275	9,252—	4,977
St. Boniface	4,320	21,000—	16,680	9,470	21,500—	12,030
Winnipeg	44,850	119,950—	75,100	219,650	206,400+	13,250
Saskatchewan—						
Moose Jaw	10,000	4,950+	5,050	13,285	17,200—	3,915
Prince Albert	3,255	13,450—	10,195	3,255	17,700—	14,445
Regina	40,000	237,250—	197,250	68,150	250,650—	182,500
Saskatoon	8,000	3,050+	4,950	17,600	33,475—	15,875
Weyburn	1,500	13,100—	11,600	2,475	13,100—	10,625
Yorkton	2,450	800+	1,650	4,459	150+	4,300
British Columbia—						
Vancouver	239,443	298,799—	59,356	428,653	570,116—	141,463
Victoria	21,705	79,952—	58,247	69,515	117,177—	47,662
Total 14 W. Cities	$ 398,363	$ 960,001—	$ 561,638	$ 876,383	$1,431,295—	$ 554,912
Gr. total 39 cities	$3,045,041	$5,517,744—	$2,472,703	$5,293,628	$9,253,861—	$ 3,960,233

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All branches of this Bank are in a position to give the most comprehensive Banking service.

Government and Municipal Securities are dealt in. Foreign Exchange bought and sold. Money Orders and Letters of Credit issued. Collections made on all points in Canada or overseas.

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IRELAND — Bank of Ireland, Dublin and Branches. Agents in FRANCE: Credit Lyonnais; Lloyds and National Provincial Foreign Bank Limited.

Thousands Will Benefit

Three Years ago the Northwestern Life Assurance Company, in keeping with its progressive policy, inaugurated, for the first time in Canada, Life Assurance Without Medical Examination.

Three years has justified this courageous innovation, and to-day other companies are following our lead—selling policies without medical examination.

The wonderful benefits of Life Assurance are universally acknowledged. The Northwestern Life is justly proud of having been first in Canada to place these benefits within reach of thousands who would otherwise have gone through life without provision for the future.

Other offices take only $1,000—we take up to $2,500 Without Medical Examination.

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Head Office: 166 Donald Street, Winnipeg
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The NORTHWESTERN LIFE ASSURANCE COMPANY
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WINNIPEG CANADA
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Your business respectfully solicited

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Sales Course

A NEW PROFESSION

Men of character and ambition can find satisfaction only in a business or profession that will make their life work really worth while and, at the same time, offer opportunities for quick financial success.

The Life Insurance field points the way.

The work, the opportunities, and the financial rewards are most attractive. But, first of all, if you have any preconceived ideas about the business of life insurance, we ask you to set them aside and look at the work from the present position it has attained through new and scientific methods such as those adopted by the Canada Life.

Would you like to be in a business that will give you

A GOOD LIVING

A PROFITABLE FUTURE

A PROVISION FOR OLD AGE

We teach a man the Insurance Business, which offers permanent success, does not fluctuate, is a professional occupation, and has been truly named "the best paid hard work in the world."

This is done by a correspondence course and personal assistance, free of charge.

When he is fully prepared for the work, we place him in a position and help him to make good.

The first two lessons of the Company's correspondence course will be sent to anyone interested. It will pay men who desire to get on in the world to look into this.

All correspondence strictly confidential.

CANADA LIFE ASSURANCE COMPANY
Head Office - TORONTO

Fort Norman Oil Company

(No Personal Liability) **Limited**

A Company owned and managed by responsible Canadian business men, whose purpose and determination is to develop selected oil properties in Canada.

There is Oil at Fort Norman---That is a Certainty

On August 25th, the drillers for the Imperial Oil Company, Limited, brought in a gusher at Fort Norman estimated to flow between 2,000 and 3,000 barrels per day. This well was brought in at a depth of only 783 feet, and heralds the advent of what will probably be one of the world's greatest oil fields.

Prospects for Success

The chances of the Fort Norman Oil Company getting a gusher are excellent. The properties of the Company are on the same side of the Mackenzie River, on the same geological structure, and within a short distance of the spot where the Imperial Oil Limited made their strike.

Weigh these Indisputable Facts

It is almost a certainty that underlying the Fort Norman properties of this Company are vast quantities of oil.

The oil found in this district is of the same high-grade quality as the product of Pennsylvania. The price of petroleum has-risen to a high and profitable level, and, as everybody knows, the demand for oil is world wide, tremendous, and rapidly increasing.

Your Opportunity

This is the first chance the public have had to profit by the discovery of oil at Fort Norman, and the time to purchase shares is NOW. This Spring will see active development in this district, and present indications point to a great future for this field. A company working on a sound basis should give investors an exceptional speculative opportunity.

Price, $1.00 Per Share

Illustrated folder containing complete information sent on request.

Anglo Canadian Financial Corporation
Limited
INVESTMENT SECURITIES
Adelaide 4038
C. P. R. BUILDING - - - - TORONTO
Branch Office: Labelle Bldg., Windsor.

Increase the Return on Your Investments

To-day the cost of capital is so great that first-grade corporations have to pay very high rates for money, and, as a result, their bonds have to yield a very high return.

If you have any money at your command you can loan it at these remunerative rates by purchasing one or more of these bonds.

Send for our circular describing Howard Smith Paper Mills bonds, which are being offered at a very attractive price.

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8-10 Wellington St. East
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C.P.R. Telegraph Building

CHANGES LIKELY TO BE MADE IN OIL REGULATIONS

Continued from page 1

it would be difficult to find persons to tender on a property for what would practically be for the benefit of an outsider.

The member for Edmonton alluded to another matter, to which THE FINANCIAL POST has paid some attention recently, viz., the hardship of requiring drilling operations within so liimted a period. Mr. Mackie showed that it was practically impossible for a man to do his prospecting, make his location, come out and float and capitalize a company, procure his outfit and go in and begin to drill all in one season. Therefore the prospector was bound to pay fees for both the first and second years, not only on the amount he might eventually take up, but on all he had located. It would take him three years to get the number of wells necessary to produce enough to make it worth building a pipe line; so that the regulations really impose a penalty on capital instead of helping capital to develop the country. He advocated a minimum of rentals and a maximum of royalties on production.

The effect of the resolution, although it was finally withdrawn, was about what it was intended to be, and will likely be followed by pronounced changes in the regulations eventually.—T.M.F.

Tax receipts of French Government in February 921,437,000 francs, falling short of estimates by 228,588,000 francs. Biggest deficit in tax on business turnover which yielded 151,571,000 francs instead of expected 413,000,000 francs.

CANADIAN ROADS TO FOLLOW WAGE POLICY OF STATES

International Transportation Conditions are Closely Interlocked

GOVERNMENT LINES

Question as to Whether Political Influence Will Interfere With the Business-like Policy of Mr. Hanna

From Our Own Correspondent.

MONTREAL.—While no formal announcement has come from the Canadian railways of their intention to cut wages as at present prevailing, following the action being taken by the roads in the United States, steps along this line should logically follow in due course. There is no need to hurry. The Canadian roads probably will await the result of the action across the border although naturally they will be prepared in the meantime to justify a similar course in this country. Indeed international conditions in railway matters are so closely interlocked that it is taken for granted that whatever cut finally goes into effect in the United States will be made in Canada. It is recognized in railway circles that opposition in Canada may appear to possess a unique lever in the presumed relation between the Canadian National roads and the Government, and that an effort may spring up to induce the Government to interfere with the operating body of the C.N.R., but the feeling is that the Government should leave the settlement entirely in the hands of Mr. Hanna and his officials so far as the C.N.R. is concerned. The analogy with United States roads is an almost overwhelming one: every wage increase the United States roads put into effect the last few years was adopted almost automatically in Canada. When increases change to decreases logic calls for Canada to follow suit.

Announcement may come in a general form from the executive of the Railway Association: Messrs. Beatty, Kelley and Hanna, the three "chiefs" —in any case any action contemplated will be fully considered through friendly conferences with the men. The result may be determined in this way, or by formal arbitration proceedings; in this special case the Railway Adjustment Board No. 1 will not handle proceedings. In the United States the Labor Board will function.

Cut of Over $60,000,000

The amount involved to bring wages back to the schedules of June 30, 1920, in the United States, is about $650,000,000. In the case of Canada, according to the president of the Grand Trunk, the total cut would be about $62,000,000 to $65,000,000—bringing wages to the level of June, 1920. But the most important point, the railways claim, is not the actual schedules of wages covering the regular eight-hour work that is done, but rules and regulations imposed by the McAdoo awards that are blamed chiefly for the enormous increases in costs of operation. Among these are an allowance of three hours' pay for a "call," overtime regulations; what are said to be unfair classifications that would give as high wages to men whose training lasted a few months as men who worked hard in apprenticeship for five years, time allowed for "punching the clock" and so forth.

While it is difficult to estimate the actual results of the various increases in wages since 1917 a fair figure would run between $140,000,000 and $150,000,000 for the Canadian roads. The first increase meant about $37,000,000, and the first increase in rates brought in about $43,000,000, but the temporary gain of the roads was soon wiped out and the later ratio stood last year at $43,000,000 gain in rates against over $80,000,000 increase in wages. It is generally considered that a cut in wages would soon be followed in Canada by a cut in both freight and passenger rates; after the roads had had an opportunity to find out just where the cuts in wages, and modifications of the regulations which are expected, would place them in regard to net earnings over a brief period.

Interesting Comparison

THE FINANCIAL POST presents below an interesting comparison between the chief Canadian railways covering the years 1917, 1918 and 1919 — the latest figures available — covering the operating revenue, operating expenses and taxes, with ratio of latter to former; and also the vital point of the present discussion, the relation to both these totals of the wage roll. The first table shows a gain of over $91,000,000 in wages from 1916 to 1919, or, with the $65,000,000 estimate for the 1920 increase, a total of over $150,000,000. Then come in detail the corresponding increases of the four main roads during the four years. In order that it may be clear that the wage roll did not grow to any extent through increases in the number of employees—even on the Government roads—it may be pointed out from the blue books of the Dominion that the total in 1916 was 144,770 compared with 158,777 in 1919, an increase of about 7½ per cent.

ALL CANADIAN ROADS

No. 2	Oper. Rev.	Oper. Exp. & Taxes	Ratio to Rev.	Pay Rolls
1916	$260,174.250	$189,251,023	72.74%	$109,763,358
1917	286,981,205	228,220,737	79.71%	126,999,917
1918	319,886,551	283,487,897	88.62%	160,877,832
1919	363,607,340	342,313,180	94.19%	201,453,185
Incr. '19 over '16	$103,233,090	$153,062,156	21.45%	$ 91,689,827
P.C. of Incr.	39.67%	80.88%		83.63%

(Roads Separately for 1916)

	Oper. Rev.	Oper. Exp. & Taxes	Ratio	Pay Rolls
Can. Gov't.	$ 22,710,923	$23,492,614	103.44	$12,447,818
C. P. R.	136,337,579	87,726,086	64.35	52,037,425
G. T. R.	47,789,403	35,176,399	73.60	20,658,694
G. T. P.	7,861,405	8,013,791	101.94	3,658,574

(For Year 1917)

	Revenue	Oper. Exp. & Taxes	Ratio	Pay Rolls
Can. Gov't.	$ 25,480,004	$29,178,220	114.51	$15,327,008
Can. Pac.	148,798,547	104,072,866	69.95	58,889,276
G. T. R.	52,197,349	43,814,087	83.94	24,016,234
G. T. P.	9,375,890	9,316,288	99.37	4,727,286

(For Year 1918)

	Revenue	Exp. & Taxes	Ratio	Pay Rolls
Can. Gov't.	$ 33,884,240	$ 40,488,249	119.49	$20,833,945
C. P. R.	157,058,479	122,750,068	78.16	69,482,671
G. T. R.	61,588,759	53,435,804	86.75	31,122,699
G. T. P.	9,939,309	13,687,681	137.72	7,193,809

(For Year 1919)

	Revenue	Exp. & Taxes	Ratio	Pay Rolls
Can. Gov't.	$ 40,816,034	$ 47,884,856	117.81	$25,424,792
C. P. R.	176,929,060	143,996,023	81.39	85,350,578
G. T. R.	68,744,358	61,539,741	89.53	37,691,753
G. T. P.	11,294,617	17,682,619	156.48	8,839,944

PORT HOPE SANITARY PROFITS REDUCED

As Result of High Operating Costs—Building Outlook For Year

The profits of Port Hope Sanitary Co. for the year ending January 31 last, at $81,212, showed a considerable reduction from profits of $132,015 for the previous year, despite the fact that during the past year the volume of business transacted by this company was substantially increased. The reduction in profits is due altogether to the unfavorable conditions under which the company was required to operate in the high cost of materials, and of labor. From the profits for the year the sum of $25,917 was appropriated for depreciation on buildings, plant and equipment; $5,471 for federal income tax, and $3,212 for other charges, leaving a balance of $46,610, compared with net profit for the preceding year of $79,411.

President L. M. Wood, reviewing conditions of the past year, points out that at the opening of 1920 prospects were bright for a record year's business. The scarcity of raw materials, which developed, together with unreasonable demands from labor and production, resulted in the less favorable showing. The slump in business, he added, was in many respects a relief, as it provided an opportunity to make those adjustments which were necessary to get back to conditions approaching normal. Mr. Wood is optimistic over the prospects for the present year. He points out that a great deal of new building is contemplated, particularly of that class in which the company's products are used. Prices of builders' materials are being reduced, and if harmonious relations can be maintained between employed and employer there appears a reasonable prospect, he adds, for the development of a period of active building, which will continue for some years. Builders, he adds, who wait for drastic price declines will be disappointed.

Holeproof Hosiery
Holeproof Hosiery
Lockwood Greene Canada

A Textile Plant planned with foresight by the Trained Engineers of

Plant of THE HOLEPROOF HOSIERY CO. OF CANADA LTD. LONDON, ONT.

LOCKWOOD, GREENE & CO. OF CANADA LIMITED
285 Beaver Hall Hill, Montreal.
ENGINEERING SERVICE FOR INDUSTRY

PROVINCE OF QUEBEC
CITY OF THREE RIVERS

Public notice is hereby given that The School Commissioners for the City of Three Rivers, will receive until Monday, the twenty-first of March, 1921, at 4 o'clock P.M., at the office of the undersigned, sealed tenders endorsed "Tenders for Debentures," amounting to $250,000.00.

These Bonds or Debentures amounting to $250,000.00, in denominations of $100.00 and $500.00, will be dated the 1st May, 1920, payable in the Province of Quebec, by series of annual instalments. The interest at the rate of 6% per annum, to be payable semi-annually at the office of the Hochelaga Bank, in the City of Three Rivers, or in the City of Montreal, or in the City of Quebec, the first May and November.

The series of annual instalments shall be payable as follows:

November	1st,	1921	$3,000.00	November	1st,	1936	$ 7,300.00
"	"	1922	3,200.00	"	"	1937	7,700.00
"	"	1923	3,400.00	"	"	1938	8,200.00
"	"	1924	3,600.00	"	"	1939	8,700.00
"	"	1925	3,800.00	"	"	1940	9,200.00
"	"	1926	4,000.00	"	"	1941	9,700.00
"	"	1927	4,300.00	"	"	1942	10,300.00
"	"	1928	4,500.00	"	"	1943	11,000.00
"	"	1929	4,800.00	"	"	1944	11,600.00
"	"	1930	5,100.00	"	"	1945	12,200.00
"	"	1931	5,400.00	"	"	1946	13,000.00
"	"	1932	5,800.00	"	"	1947	13,800.00
"	"	1933	6,100.00	"	"	1948	14,600.00
"	"	1934	6,500.00	"	"	1949	15,500.00
"	"	1935	6,900.00	"	"	1950	26,800.00

The Tenders must be accompanied by an accepted cheque equal to 1% of the amount of the total issue, and specify whether the price offered does or does not include accrued interests.

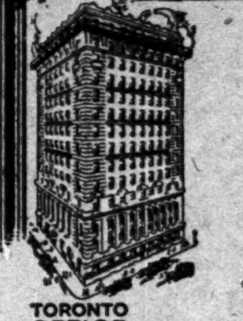
The Tenders will be considered at a public sitting of the School Commissioners, which shall be held Monday, the 21st March, 1921, at 8 o'clock P.M., or at adjournment of said sitting.

The lowest or any other tender not necessarily accepted.

THREE RIVERS, this ninth day of March, Nineteen Hundred and Twenty-One.

ARTHUR NOBERT,
Treasurer.

ESTABLISHED 1872


TORONTO OFFICE

THE immense resources of Canada must be developed to increase production of wealth sufficiently to take care of the country's indebtedness and to stimulate a continuous healthy growth. The Bank of Hamilton stands behind increased production and legitimate business enterprise.

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BRANCHES THROUGHOUT CANADA

She's Daddy's Girl
Make sure that, after you are gone, she will receive, as long as she lives, a monthly cheque to provide for her every need

The IMPERIAL LIFE ASSURANCE CO. OF CANADA
HEAD OFFICE TORONTO

Satisfactory Service Guaranteed
Prudential Trust Company, Limited
Dominion Charter authorizes the Company to act in the following capacities:
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Consultation invited by letter or in person.
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Made in one standard size with extensions and attachments to meet all conditions.

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We recommend the immediate purchase of

Peace River Petroleums, Ltd.

At $1.00 a share

Write for Complete Report

W. C. Goffatt & Co.
Official Financial Agents
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Imported "Booze"

Shall the importation and the bringing of intoxicating liquor into the province be prohibited?

WHILE importation was forbidden by war-time Order-in-Council, Ontario's jails were half empty. Imported "Booze" is filling them up again.

Jail Commitments

—Before and after the Federal war-time Order-in-Council prohibiting importation of liquor into Ontario was rescinded:

Commitments for Drunkenness.
1919 3,415
1920 4,511
Net increase, 1,096.

Commitments for All Crimes.
1919 13,096
1920 14,756
Net increase, 1,660.

You see what is happening all around you. Imported "booze" is defeating the expressed will of the people.

Vote—and Vote, Yes!

Let us shut the door to Imported "Booze"

Ontario Referendum Committee
25

PUTTING THE P.E.I. FOX INDUSTRY ON A BUSINESS BASIS

Some of the Companies Are Slowly Regaining Their Feet

A MATTER OF PELTS

Industry Has Been Conducted From a Fur Standpoint Since the Bursting of the Big Boom

From Our Own Correspondent.

CHARLOTTETOWN. — Whatever profit or loss may be attached to it, silver black fox ranching in Prince Edward Island has the appearances of an established industry. There are to-day more than three hundred ranches in the province, with an estimated total of more than 4,000 pairs of breeding animals. The returns from pelt sales in 1919 amounted to a little more than $1,000,000, and another $500,000 came into the Island to pay for breeders sent abroad. Pelt prices averaged $250 each, while the live foxes brought about double that figure. Live animal sales for 1920 amounted to about the same total as the previous year, but the 1920 production of pelts, which is not yet marketed, will have to be disposed of at greatly lowered prices, and receipts from this source within the next month or so will probably not exceed $500,000.

Chaotic financial conditions still exist to a large extent as a result of the burst boom, which reached its height in 1913-14, at which time the total capitalization in the business had reached the staggering figure of around $25,000,000. All that remained of value were some unsaleable foxes. The ranchers had to start all over again, and build from the ground up. Many of them liquidated without a struggle; others made ineffectual efforts to survive; and a good many are still going with what appears to be a fighting chance of rehabilitating themselves. The unique problem of making something out of nothing is the one that these latter mentioned concerns have been endeavoring to solve during the last six years. Undeniably insolvent—one would say hopelessly so—in 1915, these companies have been, and still are, struggling with the task of putting themselves on a sound financial basis. The progress some of them, at least, have made towards this objective is interesting.

In the boom days capitalization was based practically upon the cost or assumed market value of breeding foxes. In effect, the foxes themselves were capitalized, and the capitalization ran as high as $32,500 per pair. That was not fictitious capitalization because that was the actual market price of more than one pair of silver blacks. Hundreds of pairs were bought and sold at prices ranging from $15,000 to $25,000 per pair. But while the capitalization was genuine enough under the prevailing circumstances, the fundamentally unsound element of the business was the fictitious valuation of foxes, which bore no sane relation at all to the value of the animals as pelt producers.

As a pelt producer no pair of foxes was ever worth more than $5,000. A valuation of $2,000, in fact, is much nearer the proper figure, and even that figure in the light of present fur market conditions is perhaps too high. In any case, when the company ranchers came to a grapple with the hard facts of their problem the general conclusion was reached that the fair valuation of a pair of silver black foxes, as producers of marketable fur, was $2,000; and the task they set themselves was to become owners of enough breeders whose valuation at that figure would equal their capitalization. The objective has not been reached by any of the old companies yet, but substantial progress has been made towards it by some.

The records of three well managed companies will serve as examples of what may be accomplished along this line. In 1914 the Charlottetown Silver Black Fox Co., Ltd., Silver Foxes & Furs, Ltd., and Rogers-Payton Silver Black Fox Co., Ltd., had a total capitalization of $415,000. The assets were in the form of twenty-three and a half pairs of foxes, with an average valuation of $17,670 per pair. Today the capitalization stands at $363,700, or $51,300 less than in 1914, and the three companies own among them 99 pairs of breeders, whose average nominal value is $3,670 per pair. In other words, the actual assets of the three companies have been increased more than 300 per cent., while their combined capitalization has been appreciably reduced. They still have some distance to go before they can claim to be on a sound financial footing, but they seem to be getting there.

The assets of this group have been increased by the simple process of breeding to the maximum from the original stock and their offspring, and selling off only enough animals or pelts to bring in money for operating expenses. Charlottetown Silver Black Fox Co., Ltd., paid a 12 per cent. dividend last year, for the first time since 1914, and hopes are entertained that a dividend will be forthcoming this year. The animal valuation of this company is now down to $2,200 per pair. The other two companies have passed their dividends regularly, and their animal valuations are still around $5,700 per pair.

The reduction of capitalization of the companies has been facilitated by an act passed by the provincial Government for the relief of shareholders as well as companies, whereby capital stock may be traded into the company for foxes at a valuation agreed upon by both parties, such a transaction automatically cancelling the shares so traded, and reducing the company's capitalization to the extent of the shares turned in. The capitalization of a number of companies has been considerably lowered by this process.

OFFER TO PURCHASE BLACK LAKE BONDS

Controversial Issues in Company's Affairs Near Settlement

An amicable settlement of the controversial issues in connection with the affairs of the Black Lake Asbestos & Chrome Co., Ltd., is now in sight. It appears that the bondholders of the company who feared on the passing of control of the company to J. A. Jacobs, of Montreal, and his New York associates that their interests would be prejudiced, now find that the new interests are in no wise antagonistic to the company, and in fact have common interests at stake which should lead to the operating of the company to the best advantage of all concerned. Former President R. F. Massie has this week addressed a letter to the bondholders of the company in which he points out that the Jacobs interests having purchased the shares acquired last year by the Asbestos Corporation of Canada, making their total investment in the preferred and common shares in the Black Lake Company approximately $600,000, and the fact that Mr. Jacobs is also a bondholder to the extent of some $25,000, the interests of all parties concerned are common.

Mr. Massie points out further that the Jacobs interests in order to show their confidence in the future of the company and its securities are willing to purchase a block of bonds, approximately $100,000 par value, either direct from the bondholders or in the open market. The bondholders are requested to state their willingness, or otherwise, by March 29, whether they would be willing to dispose of their bonds at a figure not to exceed 45.

He makes the following observations:

> It is not possible for me to express a definite opinion as to the advisability of accepting 45 for the bonds. The prospects for the company are more favorable. While the annual report was in print the sale of a large quantity of the estimated 1921 production was made at a good price, which takes care of the entire output of one grade (only two mill grades are produced) for this year. In addition the changes in the method of extraction which have been the subject of experiment for some time are turning out satisfactorily and the added value of production exceeds expectations. As the changes are not yet completed, further improvements may result, and under competent management the earnings should increase, with, of course, the more prospect of permanency in the pay-

THE IMPORTANCE OF FUNCTIONS OF LOAN COMPANIES

Regard Protection of Funds in Their Charge as Sacred Trust

CONDITIONS IN WEST

President Land Mortgage Association Addresses Members — No Failure in Organization For Years

Discussion of the proposed measure now before the Ontario Legislature to increase the powers of loan companies operating in this province in taking deposits was scrupulously avoided at the annual meeting of the Land Mortgage Companies' Association of Ontario, held in Toronto last week. As this is a controversial subject upon which the members of the association are fairly evenly divided in their opinions, it was subjected to no more than passing mention, despite the fact that it is one of the most important matters affecting loan companies that has developed within the year. The attendance at the meeting was large, twenty of the twenty-three members companies of the association being represented.

President C. W. Cartwright, of Hamilton, in his address, emphasized the importance of loan companies in the economic life of the province. He pointed out that the aggregate assets of the twenty-three companies forming the association, amounting to a little more than $133,000,000, did not show anything near as large an increase as during the previous year. They did, however, clearly indicate the important place which these 23 companies held in the community, and afforded evidence of the part they have played and are playing in the development of this country. The total assets of all loan companies of every kind in the province amount to about $211,000,000, the membership of the association presenting a considerable preponderance of this total. President Cartwright continued as follows:

> When it is remembered that this volume of assets represents the investments made by these companies of the funds entrusted to them by many thousands of shareholders, depositors and debenture holders, largely the accumulation of many small sums, the services our companies render by gathering up these small savings and making them available for loaning to Canadian farmers and home owners will be better appreciated. Of the $211,000,000 of assets of all companies reporting to the Ontario Government it is interesting to note that the mortgages on real estate amount to $137,387,676, leaving nearly $74,000,000 invested in bonds, debentures, stocks and other assets. Of the liabilities of these companies the aggregate of the principal items are debentures and debenture stock, $94,363,875; deposits, $29,514,893; capital stock, $46,517,600, and reserve funds, $22,527,876.

A Sacred Trust

> The responsibility resting not only upon the directors and managers of the company, but also upon governments and legislatures of carefully avoiding any action which may jeopardize the funds with which these institutions have been entrusted, is one which all should look upon as a sacred trust.

He made reference to the revised form of government return, and pointed out that such a statement was much better calculated to furnish the department with the information necessary to arrive at an intelligent opinion as to the true position of the companies. A material advantage was that the returns for the Dominion and the Ontario government were now in the same form, thus simplifying the work of recording and collating the required information. The intention of the government to regularly inspect all companies was one with which the executive of the association was in thorough accord, he added.

Mr. Cartwright made the following observations upon conditions in Western Canada:

Increased Prosperity in West.

> While the crops in our prairie provinces did not realize the sanguine anticipations which appeared to be warranted by a favorable spring and the earlier portion of the summer, the aggregate was so large as to ensure increased prosperity and a large percentage of our customers have been placed in a position to meet at least a considerable portion of their present obligations. Those of us whose loaning activities are widespread will of necessity always have a few customers who, owing to a local crop failure, or for some other unavoidable reason are unable to make payment of interest due in some year. This is one of the contingencies against which we make provision in the proportion of the value which we originally loan.

Vice-President George H. Smith, of Toronto, who also spoke, stated that in 34 years there had never been a disastrous failure among the members of the association and none of any kind for many years.

William Mills, of London, inventor of Mills bombs, claims royalty of one penny for each of 75,000,000 of his bombs made for use of Allies in war. Royal Com-

Annual Report for the Year Ending December 31st, 1920

PENMANS LIMITED

Corporate Office, Montreal, Que. General Offices, Paris, Ont.

BOARD OF DIRECTORS—1920-1921

President: SIR CHARLES GORDON, G. B. E.
Vice-President: R. B. MORRICE
H. B. MacDOUGALL J. N. LAING J. R. GORDON
WM. McMASTER J. P. BLACK JOHN BAILLIE
V. E. MITCHELL, K.C., D.C.L.
I. BONNER, General Manager C. B. ROBINSON, Secretary-Treasurer

PROFIT AND LOSS ACCOUNT

For the Year Ending 31st December, 1920

Gross Trading Profits for year ending 31st December 1920		$1,245,932.61
Less Operating Expenses		785,627.00
		$ 460,305.61
Interest on Bonds		100,000.00
Net Earnings for the Year 1920		$ 360,305.61
Brought forward from 31st December, 1919		1,004,269.57
		$1,364,575.18
Appropriation		
To Four Quarterly Dividends of 1½% each on Preferred Stock	$ 64,500.00	
" One Quarterly Dividend of 1¾%, three Quarterly Dividends of 2% and Bonus of 2% on Common Stock	209,683.50	
" War Tax, 1919-1920	45,000.00	
Balance Forward	1,045,391.68	
		$1,364,575.18

GENERAL STATEMENT—As at the 31st December, 1920

Fixed — **ASSETS**		
Comprising Real Estate, Buildings, Plant, Dwelling Houses, Water Powers, (Less Depreciation)		$ 3,627,674.40
Goodwill, Trade Marks, Etc.		2,257,954.60
Current		
Cash on hand and in Bank	$ 324,123.64	
War Bonds	206,565.00	
Accounts Receivable	1,377,969.59	
Bills Receivable	126,326.84	
Unexpired Insurance	38,992.96	
Inventory of Raw and Manufactured Stock at Replacement Cost	3,158,232.46	
Total Current Assets		5,232,210.49
		$11,117,839.49
Capital Stock — **LIABILITIES**		
Authorized, Preferred	$1,500,000.00	
Common	2,500,000.00	
	$4,000,000.00	
Issued, Preferred	$1,075,000.00	
Common	2,150,600.00	
		$3,225,600.00
Reserve Account	$3,000,000.00	
Surplus—Balance Profit and Loss Account	1,045,391.68	
		4,045,391.68
Five Per Cent. First Mortgage Bonds Due 1st November, 1926		2,000,000.00
Current Liabilities		
Unclaimed Dividends	$ 172.50	
Accounts Payable, including War Tax	521,606.20	
Wages	15,260.93	
Bills Payable	9,808.18	
Bank Advances	1,300,000.00	
Total Current Liabilities		1,846,847.81
		$11,117,839.49

Indirect Liabilities
Customers' Paper under Discount, $217,203.95

Approved { C. B. Gordon
R. B. Morrice

C. S. SCOTT & CO.,
Accountants, Auditors, &c.

Spectator Building,
HAMILTON, CANADA

We certify that we have audited the Books and Accounts of Penmans Limited for the year ended December 31, 1920, and have been furnished with vouchers for all expenditures.

We have obtained all the information and explanations that we have required, and in our opinion the Balance Sheet herewith is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company.

Hamilton, January [illegible] 1921.

C. S. SCOTT & CO., Auditors,
Per C. S. SCOTT, F.C.A.

Overland SEDAN

Costs Less

Than *Any* Other Four-Door Sedan

OVERLAND Sedan with unusual riding qualities and economy may now be had at a new low price which makes this car cost from $500 to $1,000 less than any other Four-Door Sedan.

Over 6,000 Canadian owners, both men and women, praise their Overlands.

On a 1,200-mile trip one Overland owner averaged 30 miles per gallon.

In a typical letter this owner tells of Overland economy and riding qualities and adds, "It appeals to me as a car not only worth *owning* but *keeping*."

See this Sedan now. Take advantage of its greater *value* at its new low price.

Sedan $1795 f. o. b. Toronto; including sales tax

WILLYS-OVERLAND LIMITED

Head Office and Factories: Toronto, Can.
Branches: Toronto, Montreal, Winnipeg and Regina

Western Canada Flour Mills Company Limited

A. KELLY, *President* J. E. MACFARLANE, *Gen. Mgr.*

Head Office: Toronto

Mills at
Goderich Winnipeg Calgary
Brandon Edmonton Victoria

Daily Capacity—Flour, 10,000 barrels Rolled Oats, 1,000 barrels

MANUFACTURERS OF

PURITY FLOUR PURITY OATS

MERCANTILE TRUST COMPANY
of CANADA Limited
HAMILTON ONTARIO
CAPITAL PAID UP $500,000
BOARD OF DIRECTORS
PRESIDENT
CYRUS A. BIRGE
VICE-PRESIDENTS
MAJOR HENRY L. ROBERTS, Grimsby. JAMES TURNBULL, Toronto
DIRECTORS
C. C. DALTON, Toronto
A. E. DYMENT, Toronto
J. J. GREENE
THOS. C. HASLETT, K.C.
SIR JOHN S. HENDRIE, K.C.M.G.
J. F. KAVANAGH
COL. JOHN I. McLAREN
LT.-COL. W. H. MERRITT, St. Catharines
MAJ.-GEN. THE HON. S. C. MEWBURN
STANLEY MILLS
C. S. WILCOX
W. A. WOOD
MANAGER
S. C. MACDONALD

CANADIAN STOCKS

Quotations of listed Securities on Montreal and Toronto Stock Exchanges, with prices at closing on Mar. 15. In stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active.

Capitalization Preferred	Capitalization Common	Capitalization Bonds and Debentures	Div. Rate	Yield to Mar. 8	COMPANY	Range 1920 High	Range 1920 Low	Range 1921 to Mar. 8 High	Range 1921 to Mar. 8 Low	Close Mar. 15 Ask	Close Mar. 15 Bid	Week ending Mar. 15 High	Week ending Mar. 15 Low	Week ending Mar. 15 Close	Sales
...	5 000 000	6 160 600	6	16.66	Abitibi Power & Paper com	87	49½	58	33	42¾	42⅝	42¾	36⅛	42½	10,062
1,000 000	...	...	7	7.86	Abitibi Power & Paper pref	99	85	89	86¼	88	...	87	87	87	2
...	6 594 300	...	...	...	Amer. Cyanamid com	36	33	...	...	...	...	...	...	...	...
994 200	...	...	6	9.67	Amer. Cyanamid pref	65	62	62	...	...	...	...	...	...	...
...	3 500 000	1 473 666	...	...	Ames-Holden com	137½	10	25	20	...	...	...	...	...	...
2,500 000	...	...	7	...	Ames-Holden pref	114¾	27	45½	29½	28	...	29½	28	28	25
...	614 660	465 951	...	...	Amer. Salesbook com	7½	5	6½	...	...	...	...	...	...	...
3,073 300	...	...	7 1¼	9.21	Amer. Salesbook pref	83½	70	77	72	78	76	78	76	77½	140
...	3 000 000	2 940 000	6+1¾	8.27	Asbestos Corp. com	103	64	82½	72½	80	78	78	72½	78	457
4,000 000	...	...	8	8.88	Asbestos Corp. pref	108	83	96	88½	90	...	90	89½	90	25
...	3 500 000	1 345 000	10	...	Altantic Sugar com	164	16	33¼	20¼	31	30	30¼	30	30¼	1,069
2,500 000	...	...	7	...	Atlantic Sugar pref	184	24½	34	...	...	...	...	...	...	...
8,483 500	27 450 000	54 063 875	...	...	Barcelona Traction	9¼	3¼	5⅞	4	5¼	5	5⅛	5	5	249
...	22 336 300	16 649 000	8	7.69	Bell Telephone	111¼	100	112	99¼	105	104	105½	103½	105	239
...	4 282 200	...	6	14.63	B. C. Fishing	66	34¼	46	38	41	40	42	42	42	15
10000 000	106 566 300	22 657 000	...	...	Brazilian Traction com	51¼	28	36	30¾	33¼	33	33¼	32¼	33¼	2,647
...	1,278 700	...	10	9.61	Burt. F. N. com	110	88	109	101½	106	103	106	105	106	7
1,446 500	...	...	7	6.73	Burt. F. N. pref	110	90	108	96½	...	...	...	...	...	...
2,000 000	7 000 000	2 193 000	7	...	Brompton Paper	85	42¾	57¼	34	36	35⅜	36¼	34⅛	35⅛	2,735
...	2 500 000	1 146 872	...	...	Canada Bread com	32½	19	22	19	18½	17½	18¼	18	18	100
1 250 000	...	...	7	8.04	Canada Bread pref	86½	84	88	85	...	...	...	...	...	...
...	4 975 000	7 757 822	...	...	Can. Car & Fdry com	74	29	43	30	...	36	37	33	37	160
7 500 000	...	...	7	10.00	Can Car & Frdy. pref	109	67	79	64	70	...	70¼	70	70	205
...	13 500 000	6 346 260	6	10.00	Canada Cement com	75	54¼	67¾	56½	59	...	60	58½	59	1,921
10 500 000	...	...	7	7.69	Canada Cement pref	100	88½	94	90	92	91	92	91½	92	99
...	1 733 500	399 000	7	11.66	Can. Converters	80	51	65	59	...	...	60	58	60	75
...	2 805 500	9 500 000	...	...	Can. Cons Rubber com	100	87¾	...	...	...	...	...	...	...	...
3 000 000	...	...	7	7.00	Can. Cons. Rubber pref	95	92	...	...	...	...	...	...	...	...
...	2 715 500	4 567 105	8	10.38	Can. Cottons com	100	71	80	72	77	76	77	77	77	20
3 661 500	...	...	6	7.77	Can Cottons pref	83	66	77	70	...	...	...	...	...	...
...	960 000	173 200	12	...	Can. Forgings, com	257	75	...	...	...	...	...	...	...	...
960 000	...	...	7	7.60	Can. Forgings, pref	92	91	...	...	...	...	...	...	...	...
...	8 000 000	...	8	7.11	Can. Gen. Electric com	109	93¼	117	94	115	114½	117	108½	114	3,029
2 000 000	...	...	7	7.00	Can. Gen. Electric pref	104	90	100¼	90	97½	96½	100	99	100	53
...	2 000 000	1 500 000	8	9.41	Can. Locomotive com	100	80	86	82	...	...	...	...	...	...
1,500 000	...	...	7	8.23	Can. Locomotive pref	95	80	89	82½	87	84	86	85½	86	15
80,681 921	260 000 000	271 934 882	10	7.66	Can. Pacific Railway	142	125	141	129½	128½	127¾	129½	127¼	128½	672
...	800 000	369 000	8	9.09	Can Salt	147	85	89	87	...	...	...	...	...	...
...	12 000 000	7 979 619	7	...	Can. Steamships com	80¼	34	50⅛	27⅞	...	30⅞	31	28	31	1,345
12 500 000	...	...	7	10.44	Can. Steamships pref	85	60½	74	65	...	6	67½	64½	65¼	699
...	1 200 000	454 500	...	...	Carriage Fact. com	49½	7½	20	12	...	...	...	...	...	...
1 200 800	...	...	...	...	Carriage Fact. pref	90½	72¼	65¾	...	...	...	...	...	...	...
...	565 000	...	...	...	City Dairy com	62	50	60	55	...	...	...	...	...	...
700 000	...	...	7	8.75	City Dairy pref	99	85	82	80	...	...	...	...	...	...
...	5 360 700	...	10	7.19	Consumers Gas	150	125	140	124¾	137	136	139½	139	139	198
...	6 212 666	...	6	12.00	Crow's Nest Coal	59⅞	40	55	45	...	47	47	47	47	4
...	15 000 000	35 757 500	8	9.30	Detroit United Rly	113¾	79¼	96	85	85	83	85	82⅞	82⅞	449
...	6 500 000	...	8	9.87	Dominion Bridge	115	69	92	76	79	78¼	82	79	79	171
...	2 796 300	1 719 410	...	...	Dom. Canners com	66¼	26	45	25	30	28	29	28	28	85
2 290 600	...	...	7	8.75	Dom. Canners pref	90	79	80½	78	...	80	80	79¾	80	98
3 000 000	15 000 000	5 864 500	7	8.86	Dominion Coal pref	97½	70	79	63½	...	...	79	79	79	5
...	4 250 000	1 683 363	6	10.26	Dominion Glass com	69¼	57	64	56	...	...	58	58	58	50
2 600 000	...	...	7	8.33	Dominion Glass pref	91	82¼	84	77½	...	81	82¼	82¼	82¼	102
5 000 000	25 000 000	13 434 313	7	9.52	Dominion Iron pref	92	65	76	68	...	72	73	73	73	50
7 000 000	37 100 000	20 450 682	6	14.28	Dominion Steel Corp	82½	39	49	41	39½	38½	41	37	39¼	15,507
...	1 000 000	...	6	7.14	Dom. Telegraph	91¼	80	85	81	...	...	...	...	...	...
...	5 000 000	4 767 500	10	8.84	Dom. Textile com	146½	96½	117	104	111	109	112	109¼	111	195
1 940 600	...	...	7	7.36	Dom. Textile pref	105	89	96½	89½	...	98	98	96	98	63
1 500 000	3 500 000	3 500 000	4	...	Duluth Superior	28	12	15	12¾	...	14	14	14	14	120
...	2 250 500	950 000	...	...	Goodwins com	35	26	...	...	...	...	25	25	25	5
1 750 000	...	...	7	9.33	Goodwins pref	95	75	...	...	...	...	70	70	70	20
...	1 000 000	225 000	...	...	Holt Renfrew com	70	62	...	...	...	...	...	...	...	...
1,000,000	...	...	7	8.75	Holt Renfrew pref	85	80	...	...	...	...	...	...	...	...
...	2 500,000	800,000	8	8.08	Howard Smith Paper com	167	74¾	110	87½	95½	93	97	95	95½	610
1,500,000	...	...	8	8.88	Howard Smith Paper pref	107½	91	92¼	90	...	...	89½	89½	89½	5
7,280,500	...	...	6	8.82	Illinois Traction pref	70	64	71¼	65	...	...	...	...	...	...
500,000	6,267,005	...	25c.	...	International Petroleum	82	20	...	...	...	...	...	...	...	...
...	2,198,018	1,902,500	8	8.88	Kaministiquia	97	83½	93	90	90	...	90	90	90	20
...	2,800,000	900,000	12	8.10	Lake of the Woods com	220	130	155	135½	...	148	148	147½	147½	55
1,500,000	...	...	7	7.00	Lake of the Woods pref	112	93½	100	94	...	...	...	...	...	...
...	9,600,000	565,778	6	7.31	Laurentide Paper	125	81	95	81	85	84¾	84	82	84	775
1,300,000	1,750,000	934,900	8	11.76	Lyall Construction	99	35	75	47½	...	67	68	68	68	10
2,388,600	3,000,000	...	...	...	Macdonald A. com	44¼	19	25	20	23½	...	23½	23	23½	224
...	41,380,400	...	6	8.16	Mackay com	79½	67¾	80	69	72	71½	72½	71¾	72	104
50,000,000	...	...	4	6.30	Mackay pref	74	61	65	63	...	63	65½	63½	63½	248
...	2,500,000	...	12	8.33	Maple Leaf Mill com	196	133	146	138	135	132	135	130	132	45
2,930,000	...	...	7	7.14	Maple Leaf Mill pref	104	92	98½	93	...	98	98½	98	98½	13
...	1,275,000	...	...	...	Monarch Knitting com	75	60	...	...	...	...	...	...	...	...
750,000	...	...	7	8.75	Monarch Knitting pef	90	85	80	76½	...	...	...	...	...	...
...	2,949,600	...	6	8.33	Montreal Cottons com	87	78	75	70	...	...	...	...	...	...
2,949,600	...	...	7	7.69	Montreal Cottons pref	105	90	[illegible]	[illegible]	...	...	...	...	...	...
...	64,126,100	...	5	6.09	Montreal L.H. & P. cons	90	76	86	81	82½	82¾	82¾	81½	82½	417
...	2,000,000	...	8+½	7.10	Montreal Telegraph	124	110	114	110	...	...	118	112	112	41
...	3,861,070	36,608,153	10	[illegible]	[illegible]ways	155	125	140	125	...	...	...	...	...	...
...	2,254,300	1 5[illegible]	.	9.75	National Breweries com	70	39¼	56¼	40¼	41	40¾	41½	38	40	14,884
2,775,000	...	...	7	7.77	National Breweries pref	97	93	90	...	...	...	...	...	...	...
...	2,000,000	...	...	...	Nat. Steel Car com	12	3	5½	4	6	5⅜	6	5⅞	6	200
1,500,000	...	...	7	...	Nat. Steel Car pref	41½	21	28	22	25	23	23	23	23	5
...	15,000,000	11,102,437	5	11.62	N. S. Steel & Coal com	80	33½	14	37	40	36	38	37	38	124
1,000,000	...	...	8	10.00	N. S. Steel & Coal pref	107	75	88	80	...	...	...	...	...	...
...	2,500,000	2,350,000	12	5.85	Ogilvie Milling com	280	175	214	180	...	199	200½	200½	200½	90
2,000,000	...	...	7	6.93	Ogilvie Milling pref	105¼	97	101	99	...	99	101	100	101	35
...	750,000	538,200	8	12.30	Ont. Steel Products com	89	50	70	58	...	63	65	63	63	75
750,000	...	...	7	7.95	Ont. Steel Products pref	89½	89	88	...	...	...	...	...	...	...
...	3,500,000	2,825,000	6	8.57	Ottawa L. H. & P.	81	70	72½	70	...	...	...	...	...	...
...	650,000	...	2	5.55	Pacific Burt. com	42	30¼	36	34	...	...	...	...	...	...
650,000	...	...	7	8.64	Pacific Burt. pref	85	76	81	76	80	...	78	78	78	2
...	2,150,600	2,000,000	8	8.00	Penmans Ltd. com	148½	93	103	95	100	96¼	100	99	99	215
1,075,000	...	...	6	7.05	Penmans Ltd. pref	91½	74	85	78	85	...	84½	84½	84½	25
...	749,500	...	...	...	Port Hope Sanitary c	27	25	...	...	...	...	...	...	...	...
400.000	...	...	7	...	Port Hope Sanitary pre	42	30¼	...	...	...	...	...	...	...	...
...	3,000,000	3,837,666	4	...	Porto Rico Rlys. com	50	28½	46	37	...	41	42	42	42	25
1,000,000	...	...	7	10.00	Porto Rico Rlys. pref	79	60	78	64	...	70	73	70	73	22
...	8,534,200	5,372,098	8	3.22	Price Bros	385	250	253	248	...	210	210	210	210	28
...	3,500,000	565,000	6+1	6.28	Provincial Paper com	132	80½	102	87¾	102	96	97	96	97	55
1,700,000	...	...	7	7.95	Provincial Paper pref	100	85	88¼	87¾	87¾	85¾	87¾	87¼	87¾	10
...	9,999,500	11,045.000	...	...	Que. Railway L.H.	36¾	18	29½	22	27¾	26¾	27½	26½	27	1,863
...	4,500,000	5,909,400	10	8.13	Riordon Paper com	226	126⅞	160	119	...	125	129½	123	123	690
1,500,000	...	...	7	9.33	Riordon Paper pref	101½	83	80	75	...	...	...	...	...	...
...	1,500,000	432,000	...	...	Rogers Wm. com	71	52	55	53	...	...	...	...	...	...
1,122,800	...	...	7+1¾	7.44	Rogers Wm. pref	102	80	94	85	94	87	93	98	93	5
...	800,000	...	7	9.33	Russell Motor com	89	70	...	...	...	...	...	...	...	...
1,200,000	...	...	7	12.72	Russell Motor pref	98	40	65	46	...	...	...	...	...	...
...	1,500,000	478,868	...	...	Sawyer-Massey com	20	13	19	13	...	...	...	...	...	...
1,500,000	...	...			Sawyer-Massey pref	67¼	35	54	45	52	50	52	52	52	40
...	20,000,000	9,353,261	7	6.66	Shawinigan W & P	119½	97½	109½	104¼	105	104⅞	105½	104	105	336
...	4 000,000	2,226,006	6	7.05	Sherwin Williams com	119	75	88	72	85	82	85	85	85	125
3,425,000	...	...	7	7.44	Sherwin Williams pref	100	85¾	94	87	...	...	...	...	...	...
...	8,750,000	...	8	6.15	Shredded Wheat com	142	130¼	130	125	...	130	130	150	130	10
1,250,000	...	...	6	6.12	Shredded Wheat pref	98	98	...	...	...	...	...	...	...	...
...	8,000,000	10,332,113	7	9.93	Spanish River Pulp com	129	75	89¼	69½	72	71	73¾	70	7	3,619
5,699,100	...	...	7	8.64	Spanish River Pulp pref	149	82	95	81	82	81	83	79	82	2,866
...	11,500,000	8,562,225	7	10.76	Steel of Canada com	88½	54¾	64	59	60	59	61	56½	60	3,349
6,496,300	...	...	7	7.60	Steel of Canada pref	01½	85¾	93½	86½	...	92	97	92	92¼	140
...	1,200,000	160,590	6+1	8.82	St. Lawrence Flour com	139	59	75½	61½	...	...	65	65	65	10
575,000	...	...	7	7.95	St. Lawrence Flour pref	98½	92	90	85	...	...	...	...	...	...
...	7,894,000	1,440,000	...	...	St. Maurice Paper	170	123	120	95	...	...	...	...	...	...
...	650,000	...			Tooke Bros. com	86	67	57	50	...	...	...	...	...	...
985,000	...	...	7	8.97	Tooke Bros. pref	91	83	78	75	...	...	...	...	...	...
...	12,000,000	2,502,306	...	...	Toronto Railway	65	35	74	58¾	67½	66¼	68	66½	67	292
...	2,500 000	...	4	8.00	Tuckett Tobacco com	57½	41	52	41	...	...	...	...	...	...
2 000 000	...	...	7	8.64	Tuckett Tobacco pref	93	81½	83	81	84	81	81	81	81	25
3,000,000	22,000,000	20,213,000	...	...	Twin City com	49	31½	47	43½	46	45	45½	45	45½	60
...	1,750 000	891 000	4	8.33	Wabasso Cotton	135	48	50	42½	...	...	...	...	...	...
...	5,000,000	3,302,600	6	8.57	Wayagamack	150¼	71	89	68½	67	66¼	68	64½	66	995
...	2,449,588	1,371,55[illegible]	8	6.77	West. Can. Flour	145	105	118	...	125	123	122½	122½	122½	25
507 900	9,324,300	9,755,000	...	...	Winnipeg Rly	38	26	48	36	41	40	43½	40	40	356
...	1,500,000	600,000	½	4.13	Windsor Hotel	100	70	145	120	...	...	...	...	...	...
...	1,718,600	410,000	8	8.00	Woods Mfg. com	110	93½	...	...	...	...	...	...	...	...
346.500	...	...	7	8.53	Woods Mfg. pref	86	78¼	...	...	80	78½	80	80	80	10

BANKS

Capital	Reserve	Div. Rate	Yield to Mar. 8	BANKS	Range 1920 High	Range 1920 Low	Range 1921 to Mar. 8 High	Range 1921 to Mar. 8 Low	Close Mar. 15 Ask	Close Mar. 15 Bid	Week Ending Mar. 15 High	Week Ending Mar. 15 Low	Week Ending Mar. 15 Close	Sales
15,000,000	15,000,000	12	6.38	Commerce	199½	173¼	200	179¾	189	188	190	188½	190	94
6,000,000	7,000,000	12+1	6.03	Dominion	206	190	204	191½	199	198¾	198¾	198	198½	72
4,000,000	4,200,000	12+½	6.66	Hamilton	194	168	185	169¾	180	...	180	180	180	5
4,000,000	4,000,000	10	6.45	Hochelaga	158½	151	156	151	...	...	151	151	151	19
7,000,000	7,500,000	12	6.44	Imperial	200	184	190	185	189	187	189	186	189	28
10,029,622	8,400,000	12	6.85	Merchants	203	158	182	168	176	...	175½	175	175	76
4,000,000	5,000,000	12	6.66	Molsons	194	169	180	168½	...	177	179	179	179	5
22,000,000	22,000,000	12	5.85	Montreal	220½	185	212	195½	207	200	206	205	206	35
2,000,000	2,300,000	12	7.05	Nationale	174	162¾	174	165	...	...	...	...	...	...
9,700,000	18,000,000	16	6.13	Nova Scotia	273	243	265	249	...	261	261	260	261	47
20,134,010	20,134,010	12	5.97	Royal	233½	189½	208	193½	202	201	202	201	202	218
3,802,001	4,800,000	14	6.96	Standard	222	200	205	198	203	201	201½	201	201	74
5,000,000	6,000,000	12	6.34	Toronto	197	179	192	182	...	...	...	...	...	...
8,000,000	6,000,000	10	6.41	Union	161	139	160½	146	158	154	157	156	156	113

LOAN, TRUST AND INSURANCE

LOAN, TRUST AND INSURANCE	Div. 1920	Pres. Div. Rate	Range for 1920 High	Range for 1920 Low	Latest Price Ask	Latest Price Bid	Last Sale	LOAN, TRUST AND INSURANCE	Div. 1920	Pres. Div. Rate	Range for 1920 High	Range for 1920 Low	Latest Price Ask	Latest Price Bid	Last Sale
Canada Landed	10	10	150½	110	...	133½	134	Montreal Loan	12	...	165	155	...	165	155
Canada Permanent	10	10	178	157	180	177	177½	National Trust	11	12	230	198	195	190	195
Central Canada	10		..	...	...	...		Ontario Loan	10	10+½	160	155	167	15	160
Col. Investment pref	6	6	82	67	...	77	78	Real Estate Loan	7	7	95	92	...	...	92
Dominion Savings	[illegible]	[illegible]	72	72	75	70	72								
Great West. Per	5	..	...	...	140	...	89¾	Toronto General Trusts	10+1	12	211	196½	197	192	200
Hamilton Provident	9	9	[illegible]	145	1	140	140	Toronto Mortgage	9	9	135	129½	...	132	132½
Huron & Erie	6+1	6+¾	113½	[illegible]	[illegible]	...	112½	Toronto Savings	10	[illegible]	...	...	...	...	185
Landed Banking	[illegible]	8	14[illegible]	141	138	137	137	Union Trust	7		...	...	...	100	100
London and Canadian	[illegible]	[illegible]	126	110	119	...	119½	Confederation Life	20	[illegible]	310	300	...	...	...

Nova Scotia Steel and Coal Company, Limited

and Subsidiary Companies

TWENTIETH ANNUAL REPORT

To the Stockholders:

The Board of Directors submits its Twentieth Annual Report of Operations for the fiscal year ended December 31st, 1920, together with the financial statement, and a general report on the conditions of your property.

As anticipated at the beginning of the year, the volume of business for 1920 reached satisfactory proportions, amounting to $19,558,479.64, as compared with $6,869,941.90 in 1919.

COLLIERIES.

The improved demand for coal which commenced in the Autumn of 1919 continued during the greater part of the year, but perceptible slackening was noticeable in the early part of November, and since that time it has decreased rapidly.

The general shortage of coal in Europe and the threatened strike of coal miners in Great Britain increased the foreign demand very materially, and the Company was able to secure in the early part of the year some very attractive contracts for coal for export. Only a part of the deliveries under these contracts was overtaken, when an embargo placed on the export of coal by the Federal Government resulted in their cancellation and made it necessary to secure other employment for the steamers engaged for this business, the result of which entailed a serious loss to the Company.

It is regrettable that this overseas outlet for coal, which was only secured after a great deal of effort on the part of the Company, was thus interfered with and, we fear, lost permanently.

In the early part of the summer your Directors felt that the demands of the coal trade warranted the opening of an additional colliery at Sydney Mines. The work has progressed favorably, and this mine will by the opening of navigation be in position to produce 400 tons of coal daily.

While for the moment owing to the closing down of the Blast Furnace and Steel Plant the amount of coal being banked is larger than usual, your Directors hope that as soon as navigation opens the demand for coal will enable the Company to dispose of a reasonable amount of banked coal as well as the full output of its various collieries.

The output for the year was 633,845 tons, as compared with 550,965 tons in 1919.

IRON ORE MINES.

The operations at Wabana were restricted almost entirely to development work and consequently the output of Ore was but slightly larger than last year, amounting to 265,755 tons, as against 213,410 tons in 1919. Of the ore mined, 124,014 tons were shipped to North Sydney. There was also shipped to Europe 12,375 tons, of which 6,752 tons was shipped on a prewar contract and the balance sold f.o.b. Wabana. While ocean freight rates have fallen very materially, the depression in the Iron and Steel trade in both Europe and the United States has up to the present militated seriously against any considerable business in the export of iron ore.

IRON AND STEEL MANUFACTURE

The demand for iron and steel products, which was satisfactory at the time of the last annual report, continued until Midsummer, when orders ceased almost entirely. The Company had accumulated a sufficient tonnage of unfilled orders to keep the rolling mills in operation until the end of the year. It was, however, considered advisable to shut down the steel plant at Sydney Mines about the middle of November, and up to date [illegible]

The Railways of Canada are still in need of rolling stock and track material, and it is anticipated that, in the near future, substantial orders will be given out, of which doubtless this Company will secure a reasonable proportion.

Below are the comparative figures of output for the [illegible] two years:

	Tons—1919.	Tons—[illegible]
Coke made	45,462	[illegible]
Limestone quarried	83,410	[illegible]
Dolomite quarried	2,187	[illegible]
Pig iron made	85,676	[illegible]
Steel ingots made	58,288	[illegible]
Steel ingots cogged	54,645	[illegible]
Steel billets re-rolled	44,468	[illegible]
Total shipment of finished steel, forgings, etc.	44,061	[illegible]

SHIPBUILDING.

During the year the Company completed and delivered [illegible] steamers, the "Canadian Miner" and "Canadian Sapper," each of 2,800 tons D.W., under contract with the Canadian Department of Marine, and a similar steamer, the "Volunda," which has been retained for its own business. At present, operations at the shipyard are restricted to finishing the hull of the [illegible] cruising yacht contracted for in 1919.

COALING PLANT AT HALIFAX

As a result of the acquisition of the Coaling Plant at Halifax, mentioned in our last annual report, the Company was enabled to dispose profitably of over 35,000 tons of coal for bunkering purposes during the year, only a small part of which business would have been available without these facilities. The operation of the plant has demonstrated that it can take care of the bunkering trade of Halifax, even if it should [illegible] exceed its present proportions.

THE EASTERN CAR COMPANY, Ltd.

At this plant 1,462 standard-gauge freight cars, 18 standard-gauge snow plows, and 157 narrow-gauge mine cars were constructed and delivered during the year. On December 31st the Company had on order 200 forty-ton standard box-cars and 500 fifty-ton box-cars, specially equipped for the grain trade, as well as some repair work for the Sydney & Louisburg Railway.

ACADIA COAL COMPANY

Following the policy adopted last year when the purchase of the First Preferred Shares of this Company was made, the Scotia Company has been able to secure further substantial holdings in the Acadia Coal Company.

CAPITAL EXPENDITURE

The expenditure during the year on new properties and on extensions properly chargeable to Capital Account, amounted to $889,676.78, the largest item in which was the construction of the Steamer "Volunda," already referred to, and other items were principally in connection with the extensions and development of the iron and coal mines.

GENERAL UPKEEP, ETC.

While the same extensive repairs as took place in [illegible] were not necessary during the year just passed, the general physical condition of the Company's Works and Properties was well maintained, and where thought advisable, the equipment was improved so that the works would be in a better position to satisfactorily cope with the more difficult conditions confronting the Company in its mining and manufacturing operations.

DIRECTORS

The Directors regret to announce the resignation of Mr. W. Hinckle Smith, of Philadelphia, and Col. D. C. Jackling, of San Francisco, both of whom found great difficulty in attending meetings of the Board in Canada. So far no appointments [illegible] has been made.

Submitted on behalf of the Board of Directors,
Yours respectfully,
D. H. McDOUGALL,
President.

Balance Sheet as at 31st December, 1920

ASSETS.

Mining Properties, Real Estate, Buildings, Plant, Machinery and Equipment, Less Depreciation		$24,385,128.1[illegible]
Investment in Capital Stock of Other Companies		1,985,000.00
Company's Own Bonds Purchased for Sinking Fund		265,636.1[illegible]
Deferred Balances Receivable on Houses Sold		85,917.0[illegible]
Current Assets:		
Inventories	$ 5,415,079.55	
Balance on Cars delivered to Government and other Railways, due January, 1921	952,452.36	
Other Accounts and Bills Receivable, less Reserve	2,051,860.41	
Dominion of Canada Victory Bonds	1,261,458.33	
Call Loans	100,509.59	
Cash in Banks and on deposit	1,131,858.39	10,913,218.6[illegible]
Deferred Charges to Operations:		
Commission and discount on Securities Issued, less amounts written off	$ 250,000.00	
Development Expenditures, etc.	373,574.58	
Insurance and Taxes Prepaid	122,024.74	745,599.[illegible]
		$38,391,399.[illegible]

LIABILITIES

Capital Stock:			
Eight Per Cent. Cumulative Preference: Authorized and Issued—10,000 Shares of $100 each		$ 1,000,000.00	
Ordinary—Authorized and Issued—150,000 Shares of $100 each		15,000,000.00	$16,000,000.00
Six Per Cent. Cumulative Preference Stock of the Eastern Car Co., Limited			750,000.00
Bonded and Debenture Debt:			
5% 1st Mortgage Sinking Fund Gold Bonds, due July 1, 1950: Authorized	$6,000,000.00		
Less: Redeemed by Sinking Fund	419,768.02	$ 5,580,231.98	
6% 1st Mortgage Sinking Fund Gold Bonds of the Eastern Car Co., Limited, due July 1, 1952	$1,000,000.00		
Less: Redeemed by Sinking Fund	72,100.00	927,900.00	
6% 1st Mortgage Bonds of the Nova Scotia Land Co., Limited, due July 1st, 1924	$ 50,000.00		
Less: Redeemed by Sinking Fund	31,200.00	18,800.00	
6% Mortgage Debenture Debt		4,500,000.00	11,026,931.[illegible]
Current Liabilities:			
Bank Loans		$ 2,162,755.77	
Accounts, Wages and Bills Payable		1,744,910.00	
Interest Accrued on Bonds and Debenture Stock		307,196.51	
Dividend on Preference Stock, payable January 15, 1921		20,000.00	
Dividend on Ordinary Stock, payable January 15, 1921		187,500.00	
Dividend on Preference Stock of the Eastern Car Co., Limited, payable January 15, 1921		45,000.00	4,467,362.[illegible]
Deferred Credits to Income:			
Balances of amounts received on policies covering the future Earnings of Time Chartered Steamers which were sunk		$ 484,717.50	
Steamers' hire received in advance		54,969.44	539,686.[illegible]
Reserves:			
For relining Furnaces, and other Operating Reserves, and for Government Taxes, Contingencies, etc.		$ 591,549.80	
General Reserve		2,000,000.00	2,591,549.[illegible]
Surplus as per attached Statement			3,015,362.[illegible]
			$38,391,[illegible]

Consolidated Statement of Profits and Loss for the Year Ending 31st December, 1920

Combined Profits from Operations and Income from Investments, after making provision for Government Taxes but before deducting Depreciation and Bond Interest		$ 2,376,[illegible]
Deduct: Provision for Depreciation		561,588.[illegible]
		$1,814,[illegible]
Deduct: Interest		
On the 5% Mortgage Bonds of the Nova Scotia Steel and Coal Co., Limited	$279,011.50	
On the 6% Debenture Stock of the Nova Scotia Steel and Coal Co., Limited	270,000.00	
On the 6% Mortgage Bonds of the Eastern Car Co., Limited	56,085.00	[illegible]
Net Profits for the year		$1,209,[illegible]
Add: Surplus brought forward January 1, 1920		2,726,[illegible]
		$3,935,[illegible]
Deduct: Dividends on 8% Cumulative Preference Stock of the Nova Scotia Steel and Coal Co., Limited	$ 80,000.00	
Dividends at 5% per annum on the ordinary stock of the Nova Scotia Steel and Coal Co., Limited	750,000.00	
Dividends at 6% per annum on the cumulative preference stock of The Eastern Car Co., Limited, for the years 1919 and 1920	90,000.00	[illegible]
Surplus carried forward		$3,015,[illegible]

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the Books and Accounts of the Nova Scotia Steel & Coal Company, Limited, and Subsidiary [illegible] for the year ending December 31, 1920, and have obtained all the information and explanations which we [illegible] certify that, in our opinion, the above Balance Sheet at December 31, 1920, is properly drawn up so as to [illegible] correct view of the state of the Company's affairs, according to the best of our information and the [illegible] and as shown by the Books of the Company.

(Sgd.) PRICE, WATERHOUSE [illegible]

Montreal, February 19, 1921.

LARGE INCREASE IN PROFITS OF SAWYER-MASSEY

Due to Substantial Increase In Sales and Economies in Operating

MARKETS EXTENDED

Active Demand for Products Still Continues—Enters Contract With U.S. Firm for Sale of Threshers

The annual statement of the Sawyer-Massey Co., Ltd., for the year ending November 30, last, will prove a source of satisfaction to shareholders, indicating as it does that the company has definitely rounded the turn to better times, following its unfortunate experiences during and even prior to the war period. Sales of the company have increased by more than 30 per cent. over the previous year, and the profits are the largest in several years, and are practically double the return for the year 1919. Not only was a steady demand maintained for the company's goods throughout the past year, enabling the plant to operate continuously, with the exception of two weeks in November, when the inventory was being taken, but an active demand for certain lines of the company's products still continues. The market established in the United States during 1919 for the sale of threshers has been a profitable source of revenue and there is every indication that this connection will expand, the company having entered into a contract with a reliable company for the sale of threshers for the three ensuing years.

Profit and Loss

The statement shows profits amounting to $223,815, compared with $144,445. The sum of $48,848 was absorbed in payment of bond interest, loss on sale of Victory bonds, and provision for 1920 Federal tax, etc., $24,000 was transferred to reserve account for plant depreciation and $50,000 set up as a reserve for possible declines in inventory values. Following is a comparison of the profit and loss statement for the past two years:

	1920	1919
Deficit	$452,987	$310,114
Written off	.....	206,446
	$452,987	$516,561
Profits	223,815	144,445
Bond interest	28,620	31,503
Bond Flot. Expense	4,205	4,205
Loss Sale Vic. Bonds	4.203	.....
Income Tax (esti.)	12,000	.....
Deprec. Reserve	24,000	.....
Inventory Reserve	50,000	.....
Admin. Expenses	.....	45,163
Net Profit	$100,966	$ 63,578
Deficit	$352,020	$452,987

President R. Harmer intimates that the larger earnings are due wholly to the very substantial increase in sales, and to economies in operating expenses. An appraisal of the company's plant and property was made in August last, he points out, and the appraisement value arrived at greatly exceeded the amount at which the property was carried in the books of the company; $571,964 having been applied to reduction of goodwill account, and the balance transferred to the existing reserve for plant depreciation. The demand for road making machinery continues, the president points out, a large shipment of this class of goods having been recently made to Kingston, Jamaica.

The balance sheet shows current assets amounting to $3,034,399, compared with $2,652,940, with notes and accounts receivable standing at $1,658,134, against $144,776. On the other hand current liabilities have also increased from $1,724,473 to $1,989,375. The reserve account shows substantial improvement at $502,457, compared with $106,243.

THE HONEST PRUSSIAN

Government Railway System is Gold Mine for Thieves.

Transportation on the continent of Europe must be in a dreadful state if the reports from Germany are a fair sample. Here are the official figures as to the state railways of Prussia in the year 1920:

Robberies of goods	238,975
Loaded freight cars stolen	17,500
Freight consignments pilfered	124,000
Express parcels missing	89,000
Hand luggage missing	7,800

There were 15,000 persons convicted in connection with these robberies. Among those sent to jail were more than 7,000 railroad employees. In addition 5,770 officials and minor employees were dismissed for theft, bribery and other dishonest practices.

Prussia certainly is establishing a record.

BUSINESS MUST FACE A PERIOD OF COMPETITION

Continued from page 1

sible way to speed up his turnover.

Basic Conditions Sound

Basic conditions throughout the Dominion are sound. It was not to be expected that we could get through the readjustment without some disturbance. There have, however, been comparatively few failures. We have been very fortunate that there has been no debacle. The readjustment in prices has been gradual. Textiles, boots and shoes, furs, foodstuffs, hides, wool and cotton have followed each other in a fairly orderly procession on the downward grade. Had they all declined at once and in drastic manner, financial institutions would have been embarrassed and we would have had many failures.

Foreign Influences

But it would be a short-sighted policy and one that would invite disaster to examine only conditions in Canada. We cannot evade the effect of foreign competition, much as we would like to do so. European and Asiatic countries are in an impoverished condition and overwhelmed with debts. Lloyd George has stated the only way a country can improve its position is by selling goods to other countries. They must produce an exportable surplus and their exports must exceed their imports. In most of these countries there is no talk of an eight-hour day or a minimum wage. It is the old primitive fight for existence.

The indemnity levied on Germany extends over a period of forty years. By many this is interpreted to mean forty years during which everyone engaged in production in Germany must work longer hours and for less pay than is the custom in other countries with which they are competing.

Keen Competition

What does this mean? In my opinion it means the keenest competition the world has ever known.

Economists the world over are endeavoring to find a method of permitting Germany and other countries to pay their debts and re-establish a decent and healthy mode of living without exposing the creditor countries to this cut-throat competition. They have not yet succeeded.

Business Preparedness

I believe it behooves every business man to prepare for a prolonged period of keen competition. Now, I do not look on this as a gloomy picture, provided we are prepared for it. Mark Twain said everybody talked about the weather, but nobody ever did anything. I believe there are a few things each of us can do to put our respective businesses in shape to meet conditions that lie ahead of us.

Map Out Definite Policy

The first thing I would suggest is —map out a definite policy. Every firm and every individual should get down to brass tacks, should map out in writing a definite policy and fix the responsibility for carrying it out.

Speed Up Turnover

The day of long profits is past. I doubt if any of us will ever again see the day when a merchant could make more money by holding goods than by selling them. The motto for the future will be not big profits, but quick turnover. This, however, is no hardship to the efficient business man; 5 per cent. net profit with twelve turnovers a year is better than 20 per cent. profit with three turnovers in the year. It is safer. It tends to lower costs and this in itself stimulates business.

The man who does not see this change in business conditions and put his business in shape to meet it is going to fall by the wayside.

Labor Saving Devices

The installation of labor-saving machinery is another way of reducing costs. This includes many fixtures or equipment, which, after providing for interest on investment and depreciation, will lower cost of doing business.

The Tax Problem

The Excess Profits Tax and Luxury Tax, heavy income taxes were imposed to satisfy the public clamor. The past few years have demonstrated these taxes have had a boomerang effect. They have increased greatly the price of commodities and have killed off new enterprises and business extensions which would have given employment to many men who to-day find themselves out of work.

When individuals, partnerships and incorporations are so heavily burdened with taxation as to render impossible the creation of a surplus to be devoted to enlarged operations and greater usefulness, there cannot be a maximum of progress. Business cannot stand still—it either goes backward or forward. The first necessity for a forward movement is the capital with which to make the venture. Therefore, if taxation is so arranged as to sap the earnings, allowing but a small margin of accumulation, business progress is naturally affected in proportion. Our present system of taxation needs revision and particularly simplification.

Advertising Doubly Beneficial

It is a peculiar fact that advertising is curtailed during any period of depression. I believe the reason for this is that business men expect either too much or too little from their advertising. Advertising is particularly valuable at this time because it not only performs the usual function of increasing sales and rendering more efficient all other departments of the organization, but every advertisement calls aloud to the public that here is one firm going on record that it actually expects to do business. During the so-called buyers' strike many wholesale, retail and manufacturing firms called together their sales staffs and tried to inject pep into them and then flatly contradicted themselves by cancelling their advertising and thus saying plainly they really had no expectation of doing business.

In my opinion the firms which have done the most and which are still doing the most to get us through this readjustment period are the firms which have calmly "carried on" with regular advertisements in the trade newspapers, the magazines and general newspapers. There may not be as much business done in their line this year as last year, but it is a fairly safe bet they will get their quota.

Optimism is Essential

These are some of the tangible things we need to-day, but they will be of very little use unless we have also optimism, enthusiasm, courage and perseverance.

Judge Gary has in his private office a novel device. Raised several feet from the ground on a stand are arranged large transparent letters, which read, "It can be done; can't must be overcome." By pressing a button on his desk, Judge Gary can illuminate the letters very brightly by electricity. Recently he had placed prominently in his office another motto reading, 'Success comes in cans; failure in can'ts."

B. C. Forbes tells of another instance illustrating the same point. Eight hundred sales agents and salesmen from all parts of the United States and Canada had recently gathered in a great convention hall. Several had complained that their territories were completely worked out and they needed new ones. Had this sort of talk been allowed to gather momentum the whole assembly might have been headed towards gloomy depression and despondency, probably with incalculably harmful aftereffects. Quick as a flash the senior executive leaped to the platform and shouted, "I'm going to stop this convention to get a shoe shine—call in a bootblack."

The dropping of a bomb shell could not have produced a greater sensation. It was known that the convention was costing the company at least $250 per minute, yet the whole proceedings were halted in order that one man might get his shoes polished. In came the bootblack and while eight hundred men watched he did his work. It took five minutes. The shoe shine, therefore, cost $1,250.

The man whose shoes had been shined then said, in effect: "Both of the two bootblacks who preceded this fellow failed to earn even the $4 a day guaranteed by the company. The company every week had to make up the deficit. Then came this bootblack. He had no more prospects than the others, no larger territory, no better conditions of any kind; yet this bootblack earns from eleven to seventeen dollars per day. Gentlemen," he shouted, "it is not territory that counts—it is the man."

This is the spirit we need to-day and if it goes hand in hand with other efficient methods of production we need not fear the keen competition that lies ahead.

WEST'S ELEVATORS

From Our Own Correspondent.

REGINA.—The growth of the grain elevator system in the three prairie provinces is shown in the fact that there are now 3,600 elevators in Saskatchewan, Manitoba and Alberta. They have a capacity of from 20,000 to 30,000 bushels each or a total capacity of 110,000,000 bushels.

Coca-Cola Co. sales showed a steady decrease from October to December, 1920, inclusive, but they came back sharply in the first two months of this year. Sales were 837,000 gallons in January and 875,000 gallons in February compared with 802,000 gallons in October, 580,000 gallons in November and 560,000 gallons in December.

How Many Copies

WHAT THE FARMER CAN DO WITH CONCRETE

Would You Like?

A BANKER'S knowledge is one of his greatest assets. Among his Farmer-Clients, he is rated according to the help he is able to give them, either from the storehouse of Knowledge in his own mind, or from the books on his bookshelves.

Many Bank men have included among the indispensable books for their reference purposes:

"WHAT THE FARMER CAN DO WITH CONCRETE"

It is known as the standard work on Farm Buildings. While over one hundred thousand Farmers have had it, there are many who are, as yet, unfamiliar with its valuable contents.

The man who is not thoroughly posted on the possibilities of Concrete in Farm work, will not be lacking in gratitude to the Banker who puts him in the way of this knowledge, and who shows him the money value of Concrete improvements.

You may have in mind a few of your Bank's Customers to whom this book should be handed right away. In that case, you will want several copies, and we want you to know that our available supply permits us to offer "As many as you need." No charge or obligation entailed.

We know the Banker is in a position to help the movement for Concrete Construction. We believe most Bankers are aware that more Concrete must mean more conservation; and that, therefore, Concrete should be advocated for the good of the Country and for the good of the Farm owner. That is why we are eager to have our book in every Banker's library.

Write for your copy or copies to-day.

CANADA CEMENT COMPANY LIMITED
1272 HERALD BUILDING, MONTREAL
Sales Offices at Montreal, Toronto, Winnipeg and Calgary

1 Salesman Explains the merits of goods to 100 Merchants
100 Merchants explain merits of goods to 10,000 Consumers
10000 Consumers Explain merits of goods to 20,000 Neighbors

The Salesman is therefore the most important factor for he influences your merchants, and through them the buying public.

The Trade Newspaper backs up your salesman and makes his work doubly efficient—for it is in your merchant's store week by week and month by month. It is a big factor in general stimulation of business.

You train your salesmen and inspire them with the ideal of your business, the quality and saleability of your product—why not train and educate your merchant as you do your selling force?

Merchants to-day are studying products and prices as never before. What an opportunity to sell them on the merits of your goods—their selling possibilities and your firm as a good business to co-operate with!

Let us tell you of many firms who have used regular announcements in trade newspapers to build confidence in the house and to enlist dealer co-operation with other forms of advertising.

It will pay you to investigate MacLean trade newspapers, which are read by merchants in all lines of business.

The MacLean Publishing Co., Ltd.

Publishers of the following Specialized Trade Newspapers:

Canadian Grocer
35th Year.
Hardware and Metal
32nd Year.

Druggists' Weekly
2nd Year.
Dry Goods Review
32nd Year.
Bookseller and Stationer
37th Year.

Men's Wear Review
11th Year.
Sanitary Engineer
14th Year.

We direct the attention of investors to this exceptional offering of Bonds.

	To Yield
$ 7,000 Province of Alberta 6% Bonds due 1st of May, 1930. Interest (1st of May and 1st of November) at 98.93	6.15%
$ 5,000 Province of Ontario 6% Bonds due 1st of February, 1941. Interest (1st of February and 1st of August) at 100	6.00%
$ 6,000 Province of Saskatchewan 6% Bonds due 1st of February, 1936. Interest (1st of February and 1st of August) at 99....	6.10%
$14,000 City of Hamilton, Ontario, 5% Bonds due 1st of November, 1921. Interest (1st of May and 1st of November) at 99½..	

The National City Company
Limited
Canadian Head Office:
74 Notre Dame Street West, Montreal.
10 King St. East, Toronto, Ont.
McCurdy Building, Halifax, N. S.

The Canadian Crocker-Wheeler Co., Limited

DIVIDEND NOTICE

THE Directors of the Canadian Crocker-Wheeler Company, Limited, have declared a One and Three-quarters per cent. (1¾%) dividend on the preferred stock of the Company for the three months ending March 31st, 1921, to shareholders of record March 21st, 1921. Also a dividend of One and Three-quarters per cent. (1¾%) on the common stock of the Company for the three months ending March 31st, to shareholders of record March 21st, 1921.

The Stock Books will be closed from the 21st to the 31st of March, both days inclusive.

Cheques will be mailed to shareholders on March 31st, 1921.

By Order of the Board.

H. A. BURSON,
Secretary.

St. Catharines, Ont., March 5th, 1921.

Penmans Limited

DIVIDEND NOTICE

NOTICE is hereby given that the following Dividends have been declared this day for the quarter ending 30th April, 1921.

On the Preferred Stock [illegible] one-half per cent. (1½%) payable on the 2nd day of May to Shareholders of record of the 21st day of April, 1921.

On the Common Stock, two per cent. (2%) payable on the 16th day of May to Shareholders of record of the 5th day of May, 1921.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasrer.

Montreal, Que., March 7, 1921.

The Riordon Pulp & Paper Co., Ltd.

Preferred Stock Dividend No. 35.

NOTICE is hereby given that a dividend of 1¾% (being at the rate of 7% per annum) on the Preferred Stock of this Company has been declared payable March 31st, 1921, to shareholders of record at the close of business March 22nd, 1921.

By order of the Board.

F. B. WHITTET,
Secretary-Treasurer.

Montreal, March 3rd, 1921.

Riordon Company, Limited

CUMULATIVE CONVERTIBLE PREFERENCE STOCK

Dividend No. 3.

NOTICE is hereby given that a quarterly dividend of 1¾% (being at the rate of 7% per annum) has been declared on the Cumulative Convertible Preference Stock of this Company for the quarter ending March 31st, 1921, payable April 1st, 1921, to shareholders of record at the close of business March 19th, 1921.

By order of the Board.

F. B. WHITTET,
Secretary-Treasurer.

Montreal, March 3rd, 1921.

Riordon Company, Limited

FIRST CUMULATIVE PREFERENCE STOCK

Dividend No. 3.

NOTICE is hereby given that a quarterly dividend of 2% (being at the rate of 8% per annum) has been declared on the First Cumulative Preference Stock of this Company for the quarter ending March 31st, 1921, payable April 1st, 1921, to shareholders of record at the close of business March 19th, 1921.

By order of the Board.

F. B. WHITTET,
Secretary-Treasurer.

Montreal, March 3rd, 1921.

DOMINION TEXTILE COMPANY, LIMITED

NOTICE OF DIVIDEND

A DIVIDEND of two and one-half per cent. (2½%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st MARCH, 1921, payable APRIL 1st, to shareholders of record MARCH 15th, 1921.

By order of the Board,

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 28th February, 1921.

Provincial Paper Mills Limited

DIVIDEND NOTICE

NOTICE is hereby given that Dividends have been declared by PROVINCIAL PAPER MILLS LIMITED, as follows:

Regular Quarterly Dividend 1¾% on Preferred Stock;

Regular Quarterly Dividend 1½% on Common Stock;

Special Dividend 1% on Common Stock.

All payable on April 1st, 1921, to Shareholders of record at close of business March 15th, 1921.

(Signed) S. F. DUNCAN,
Secretary.

INTERPROVINCIAL CLAY PRODUCTS, LIMITED

PREFERRED DIVIDEND NO. 1

NOTICE is hereby given that a Dividend of 2% (Two per cent.) on the Preferred Stock of Interprovincial Clay Products, Limited, has been declared for the quarter ending March 31st, 1921, payable March 31st, to Shareholders of record March 24th, 1921.

By order of the Board,

A. M. MARSHALL,
Secretary-Treasurer.

Interprovincial Brick Co. of Canada, Limited

PREFERRED DIVIDEND NO. 27

NOTICE is hereby given that a Dividend of 1¾% (one and three-quarters per cent.) on the Preferred Stock of Interprovincial Brick Company of Canada, Limited, has been declared for the quarter ending March 31st, 1921, payable March 31st, to Shareholders of record March 24th, 1921.

By order of the Board,

A. M. MARSHALL,
Secretary-Treasurer.

WOODS MANUFACTURING COMPANY, LIMITED

Preferred Stock Dividend Notice

THE regular quarterly Dividend of one and three-quarters per cent. (1¾%) on the PREFERRED STOCK of WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending March 31st, 1921, has been declared payable April 1st, 1921, to Shareholders of record March 19th, 1921.

By Order of the Board.

JOHN T. F. KEENE,
Secretary-Treasurer.

Montreal, March 8th, 1921.

Dominion Canners Limited

Dividend Notice

Preferred Stock

NOTICE is hereby given that the quarterly Dividend of one and three-quarters per cent. has been declared on the Preferred Stock of the Company.

The above Dividend is payable on April 1st next to Shareholders of record at the close of business on March 19th next.

By Order of the Board.

W. R. DRYNAN,
Secretary-Treasurer.

Hamilton, March 10th, 1921.

KERR LAKE MINES, Ltd.

61 Broadway, New York, March 8, 1921.

DIVIDEND NO. 10.

The Board of Directors have this day declared a dividend of 12½c. per share on the capital stock of the company, payable April 15, 1921, to stockholders of record at the close of business on April 1, 1921. Books will not close.

E. H. WESTLAKE, Treasurer.

The Toronto General Trusts Corporation

NOTICE is hereby given that a dividend of Three Per Cent. (3%) has been declared upon the Paid-up Capital Stock of this Corporation for the quarter ending March 31st, 1921, being at the rate of

TWELVE PER CENT. PER ANNUM

and that the same be payable on and after Friday, the first day of April, 1921.

The Transfer Books of the Corporation will be closed from Tuesday, the 15th day of March, until Thursday, the 31st day of March, 1921, both days inclusive.

By order of the Board of Directors,

A. D. LANGMUIR,
General Manager.

Toronto, March 1st, 1921.

DOMINION TEXTILE COMPANY, LIMITED

NOTICE OF DIVIDEND

A DIVIDEND of one and three-quarters per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY LIMITED, has been declared for the quarter ending 31st MARCH, 1921; payable APRIL 15th, to shareholders of record MARCH 31st.

By order of the Board,

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 28th February, 1921.

The Bank of Nova Scotia

DIVIDEND NO. 205

NOTICE is hereby given that a Dividend at the rate of Four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending March 31st, and that the same will be payable on and after Friday, the first day of April next, at any of the offices of the Bank.

The Stock Transfer Book will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board,

H. A. RICHARDSON,
General Manager.

Halifax, N.S., February 25th, 1921.

C.P.R. RUNS AHEAD OF ITS DIVIDEND BY $3,616,807

Earned 11.4% on Common Compared With 10.8%

R'Y SURPLUS $450,000

Increase of $1,900,000 From "Special" Sources Brought Net Results Above Those of 1919

From Our Own Correspondent.

MONTREAL.—The Canadian Pacific Railway Company made a slightly better showing for the year 1920 in respect to the amount available for common dividends, earning 11.4 per cent. on the common stock of $260,000,000 as compared with 10.8 per cent. for the year 1919. The past year also exceeded the percentage of the year 1918, which was 10.97, but fell far below the 15.89 per cent. of 1917, and the 16.76 per cent. of the fiscal year 1915-16.

As in other years, however, the earnings of the company must be divided into two parts: those of the railway proper, and "other income," consisting of ocean services, telegraphs, etc. The actual surplus on railway operations for the year 1920 was less than in 1919, for although the net earnings amounted to $33,153,044, as compared with $32,933,036, fixed charges called for over $600,000 more than this past year, leaving the amount available for common dividends $18,650,359, as compared with $19,044,250, and thus, after allowing $18,200,000 for common dividends there remained a surplus for the year of $450,359, compared with one of $844,250 for 1919; $2,203,621 for 1918; $12,420,915 for 1917, and $15,444,158 for the fiscal year 1915-16, when the company changed the ending of the year from June 30 to December 31.

From the railway operations it is customary to allot 7 per cent. out of the total of ten per cent. paid on the common stock. For 1920 this department earned 7.17 per cent., compared with 7.32 in 1919, 7.85 in 1918, 11.78 in 1917 and 12.9 per cent. five years ago.

Taking into account "[illegible] income" the results for 1920 ran well ahead of 1919, with a total of $10,966,448, compared with $9,049,342 in 1919, an increase of over $1,900,000. Out of this special income the company has been accustomed to take 3 per cent. for the common dividend. The total this past year would be sufficient to pay 4.23 per cent., while that of 1919 works out at 3.48 per cent. In actual figures there was available for the balance of the common dividend ten per cent. not covered by the railway proper the sum of $3,166,448, as compared with $1,249,342 in 1919, and $328,751 two years ago. The showing is unexpectedly good, considering the slump in ocean traffic the latter part of the year. The balance to the credit of this account now stands at $18,580,291.

The percentages covering the amount available from railway operation and special account for the past four years compare as follows:

% Available for Common Dividend.

	From Railway	From Spec. Acct.	Total
1920	7.17	4.23	11.4
1919	7.32	3.48	10.8
1918	7.85	3.12	10.97
1917	11.78	4.11	15.89
1915-16	12.9	3.8	16.76

The detailed report of the company will not be made public for about two weeks. Late this week it will be forwarded to England, and on receipt of a cable announcing the arrival there it will be issued simultaneously in Montreal, New York and London. This has been the practice for a number of years. The figures in the preliminary report issued early this week followed an executive meeting that was held on Monday.

Below appears a comparison of the figures of gross and net earnings, and the dividend and other deductions for the past five years. The figures of gross earnings and operating expenses themselves were issued recently. Taking the two departments, it is seen that the road earned $3,616,807 more than its dividend requirements of $26,000,000 in 1920 compared with $2,093,592 in 1919 and $2,532,372 in 1918.

C.P.R. Figures for Past Five Years.

	1920	1919	1918	1917	1915-16
Gross earnings	$216,641,349	$176,929,060	$157,537,698	$152,389,334	[illegible]
Working expenses	183,488,305	143,996,024	123,035,310	105,843,316	[illegible]
Net earnings	$33,153,044	$32,933,036	$34,502,388	$46,546,388	[illegible]
Fixed charges	10,775,409	10,161,510	10,177,518	10,229,143	[illegible]
Surplus	$22,377,635	$22,771,526	$24,324,875	$36,316,875	[illegible]
Pension fund	500,000	500,000	500,000	500,000	[illegible]
Balance	$21,877,635	$22,271,526	$23,824,875	$35,816,875	[illegible]
*Transferred	......	......	193,877	......	......
†Transferred	......	......	......	1,968,683	[illegible]
	$21,877,635	$22,271,562	$23,630,898	$33,848,191	[illegible]
Preferred dividends	3,227,276	3,227,276	3,277,276	3,227,276	[illegible]
	$18,650,359	$19,044,250	$20,403,621	$30,620,915	[illegible]
Common dividend	18,200,000	18,200,000	18,200,000	18,200,000	[illegible]
Net surplus for year ..	$ 450,359	$ 844,350	$ 2,203,621	$12,420,915	[illegible]
SPECIAL INCOME ACCOUNT.					
Special income	$10,966,448	$ 9,049,342	$ 8,128,751	$10,713,299	[illegible]
Dividends	7,800,000	7,800,000	7,800,000	7,800,000	[illegible]
Balance	$ 3,166,448	$ 1,249,342	$ 328,751	$ 2,913,299	[illegible]
Previous balance	15,413,843	14,164,501	13,835,750	10,922,451	[illegible]
Spec. Inc. Act. Surp...	$18,580,291	$15,413,843	$14,164,501	$13,835,750	[illegible]

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*Net earnings commercial telegraph, January and February, transferred to special income account.

†Net earnings of coastal steamers, commercial telegraph and news department transferred to special income account.

The Porto Rico Railways Company, Limited

NOTICE is hereby given that a quarterly dividend of One and Three-quarters per cent. (1¾%) on the Preferred Stock, and One per cent. (1%) on the Common Stock of this Company has been declared payable on the 1st day of April, 1921, to shareholders of record at the close of business on the 15th day of March, 1921.

By Order.

T. A. SPOOR,
Secretary.

Laurentide Company Limited

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and one-half per cent. (1½%) has this day been declared on the Capital Stock of this Company, for the quarter ending March 31st, 1921, payable Friday, April 1st, 1921, to Shareholders of record at the close of business, March 22nd, 1921.

By order of the Board of Directors,

W. F. ROBINSON,
Secretary.

Montreal, March 15th, 1921.

NATIONAL TRUST COMPANY, LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a Dividend for the three months ending March 31st, 1921, at the rate of

TWELVE PER CENT. PER ANNUM

has been declared on the capital stock of the Company, and that same will be payable on and after April 1st, 1921.

The Transfer Books will be closed from the 21st to the 31st of March, both days inclusive.

By order of the Board.

W. E. RUNDLE,
General Manager.

Toronto, March 2nd, 1921.

Abitibi Power & Paper Company Limited

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend of one and three-quarters (1¾%) per cent. has been declared on the Preferred Stock of the Abitibi Power & Paper Company, Limited, payable the first day of April, 1921, to shareholders of record at the close of business the 19th day of March, 1921.

By order of the Board,

L. R. WILSON,
Secretary.

The Dominion Fire Insurance Company

January 1st, 1921

ASSETS:

Government Bonds:		
Canada Victory Loan, 1934	$250,000.00	
Canada Victory Loan, 1933	160,000.00	
Canada Victory Loan, 1937	115,000.00	
Province of Alberta	50,000.00	
Province of British Columbia	50,000.00	
Province of Saskatchewan	48,666.66	
		$673,666.66
Municipal Bonds:		
City of Brantford	$ 6,930.00	
City of Calgary	4,550.00	
City of Edmonton	19,678.26	
City of Fernie	4,200.00	
City of Galt	4,150.00	
City of London	6,440.00	
City of Moose Jaw	4,800.90	
City of Nanaimo	4,250.00	
City of Port Arthur	16,847.71	
City of Revelstoke	4,100.00	
City of St. Thomas	7,600.00	
City of Toronto	7,592.00	
City of Vancouver	12,498.70	
City of Waterloo	6,307.80	
Town of Amherstburg	4,705.14	
Town of Goderich	7,426.57	
Town of North Bay	5,120.32	
Village of Tweed	2,506.14	
District of Burnaby	4,229.13	
		133,932.67
Stocks:		
Dominion Bank	$ 9,600.00	
Bank of Toronto	10,010.00	
Imperial Bank	9,400.00	
Huron and Erie Mortgage Corporation	12,690.00	
		41,700.00
Mortgage		12,500.00
Accrued Interest		7,402.99
Cash in Banks and on Hand		18,272.84
Agents' Balances (net)		70,129.58
Sundry Debtors		3,457.35
Total Assets		$961,062.09

LIABILITIES

Net Unadjusted Losses—		
Fire		$ 22,837.61
Marine		67,649.41
Reserve for Accruing Taxes		18,600.00
Current Unpaid Accounts		6,694.67
Deposit Account Re-Insuring Companies ...		198,595.99
Unearned Premium Reserve		333,759.52
Hail Reserve		20,271.06
Surplus to Policyholders—		
Excess of Cash Assets over Liabilities ..		292,653.83
Paid-up Capital	$250,000.00	
		$961,062.09

The following Board of Directors were elected:

Lieut.-Colonel Robt. F. Massie, D.S.O., President
Philip Pocock, London, Vice-President
R. A. Brock, Montreal
R. S. Cassels, K.C., Toronto
Geo. J. Cuthbertson, Montreal
R. J. Hutchings, Calgary
Emile Ostiguy, Montreal
Neil W. Renwick, Toronto
Dr. Thaddeus Walker, Walkerville

Everybody smokes
OLD CHUM
Canada's Favorite
Pipe Tobacco.
OLD CHUM
SMOKING TOBACCO